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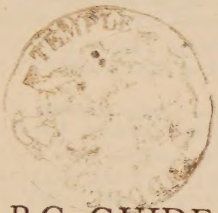

A B C GUIDE
TO
THE COMPANIES ACT, 1928

By His Honour Judge Haydon, M.A., K.C., and Herbert W. Jordan.

Thirty-Sixth Edition (1925). 17s. 6d. net; by post, 18s. 3d.

HANDBOOK ON THE FORMATION, MANAGEMENT, AND WINDING UP OF JOINT STOCK COMPANIES (GORE-BROWNE).

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COMPANY LAW AND PRACTICE: an Alphabetical Guide thereto.

A B C GUIDE

TO

THE COMPANIES ACT

1928

WITH THE TEXT OF THE ACT

BY

HERBERT W. JORDAN

COMPANY REGISTRATION AGENT

AND

STANLEY BORRIE

SOLICITOR

LONDON

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Law Publishers

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PREFACE

In January, 1925, a Company Law Amendment Committee was appointed to consider and advise what amendments were desirable in The Companies Acts, 1908 to 1917. Under the chairmanship of an eminent King's Counsel, the Committee held thirty-eight meetings, and in May, 1926, made a Report containing valuable recommendations. These recommendations form the basis of The Companies Act, 1928, which in its progress through Parliament was debated solely with a view to giving just consideration to the respective claims of industry, the investing public, and the community generally.

Interesting new features and developments are introduced into our system of Company Law by the provisions of the new Act in regard to Redeemable Preference Shares, the issue of Shares at a discount, and Offers for sale of Shares and Debentures.

Section 92, which prohibits "share-hawking," came into operation on the Act receiving the Royal Assent (3rd August, 1928); but the remaining provisions of the Act will not become operative until they are embodied in a Consolidating Act, which is intended to be introduced early next year. This interval affords a convenient opportunity for the necessary study of the new provisions, and it is hoped that this book will assist members of the Legal Profession, Accountants, Directors, Secretaries and others who have to administer the affairs of Limited Companies to make themselves familiar with the coming changes.

Throughout the book, the provisions of the new Act are, for convenient expression, referred to as if they were now in operation, and, to facilitate reference, the subject headings have been arranged by the authors in alphabetical order, as in their work "Company Law and Practice."

Where the expression "the Act of 1908" or "the Act of 1917" is used in the book, reference to The Companies (Consolidation) Act, 1908, or The Companies (Particulars as to Directors) Act, 1917, is intended.

With the exception of Sub-section (1) of Section 1 (as to which see page 41) the new Act does not apply to Northern Ireland.

The provisions of Sections 100 to 115 of the new Act, which relate only to Scotland, and a few unimportant provisions of the new Act (chiefly contained in the Second Schedule thereto) whereby certain minor amendments are made in the Act of 1908, are not specifically dealt with in the book. The full text of the new Act will, however, be found in an Appendix.

H. W. J.
S. B.

116 Chancery Lane,
London, W.C. 2,
August, 1928

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A B C GUIDE TO THE COMPANIES ACT, 1928

Accounts and Balance Sheets.

Under the Table A of 1908 (Clauses 103, 106 and 107) and most sets of special Articles provision is made for the keeping by the Directors of true accounts, and for the submission to the Members of Profit and Loss Accounts and Balance Sheets, but there is no provision to that effect in the Act of 1908.* These matters are now dealt with by Section 39 of the new Act, which requires every Company to keep proper books of account with respect to—

(*a*) All sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure takes place;
(*b*) All sales and purchases of goods by the Company;
(*c*) The assets and liabilities of the Company.

The books of account must be kept at the Registered Office or at such other place as the Directors think fit, and must at all times be open to inspection by the Directors.

A Profit and Loss Account (or, in the case of a Company not trading for profit, an Income and Expenditure Account) must be laid by the Directors before the Company in General Meeting not later than eighteen months after incorporation and subsequently once at least in every calendar year. Each Account must

* Where the expression "the Act of 1908" or "the Act of 1917" is used, reference to The Companies (Consolidation) Act, 1908, or The Companies (Particulars as to Directors) Act, 1917, is intended.

cover the period from the preceding Account (or, in the case of the first Account, from the date of incorporation) to a date not more than nine months before the Meeting (or not more than twelve months in the case of a Company carrying on business or having interests abroad). The said periods may be extended by the Board of Trade if for any special reason they think fit so to do.

The Directors must also cause to be made out in every calendar year and to be laid before the Company in General Meeting a Balance Sheet as at the date to which the Profit and Loss Account (or the Income and Expenditure Account, as the case may be) is made up. To every such Balance Sheet there must be attached a report by the Directors with respect to the state of the Company's affairs, the amount (if any) which they recommend should be paid by way of dividend, and the amount (if any) which they propose to carry to the Reserve Fund, General Reserve, or Reserve Account shown specifically on the Balance Sheet or to a Reserve Fund, General Reserve, or Reserve Account to be shown specifically on a subsequent Balance Sheet.

Any Director who fails to take all reasonable steps to comply, or to secure compliance by the Company, with the above requirements is liable on summary conviction to a fine not exceeding £200 ; or where, in the opinion of the Court, the default was wilful, to imprisonment for a term not exceeding six months.

In Sub-sections (2) and (3) of Section 113 of the Act of 1908 (as to the Auditors' Report and supply of copies of the Balance Sheet and Auditors' Report) the words " Members " and " Member " are substituted for the words " Shareholders " and " Shareholder," so as to cover the case of a Company not having a Share Capital.

Sub-section (3) of the Section (which Section applies to all Companies, whether Public or Private) is further amended so as to require a copy of the Balance Sheet and Auditors' Report to be furnished (on payment

of the prescribed charge) to any Member within seven days after request, and to require the Auditors' Report, and not merely a reference thereto, to be attached to the Balance Sheet. The penalty for failure to supply a copy is a fine not exceeding £5 for every day during which the default continues.

In the case of a Public Company (but not a Private Company) a copy of every Balance Sheet (including every document required by law to be annexed thereto) which is to be laid before the Company in General Meeting, together with a copy of the Auditors' Report, must, not less than seven days before the date of the Meeting, be sent to all persons entitled to receive notices of General Meetings of the Company. The penalty for default is a fine not exceeding £20.

The Balance Sheet must include particulars of any Redeemable Preference Shares which have been issued by the Company and of any redeemed Debentures which the Company has power to reissue (see pages 18 and 45).

Section 79 of the new Act requires the Accounts laid before a Company at the Annual General Meeting to disclose the amount of loans made to Directors or officers and the total amount paid to Directors as remuneration for their services. (See DIRECTORS.)

Section 40 of the new Act contains lengthy provisions as to the form of a Balance Sheet, and makes special requirements in the case of "Holding Companies." It would not be helpful to summarise this lengthy Section, and Members of the Accountancy profession, whom it mainly concerns, will find a study of its provisions imperative. It may, however, be mentioned that a new feature of the Balance Sheet is the requirement that there shall be included a statement showing which of the liabilities are secured otherwise than by operation of law on any of the assets of the Company (although it is not necessary to specify in the Balance Sheet the assets on which such liabilities are secured).

Section 41 of the new Act replaces Section 114 of the Act of 1908 and also extends the provisions of Sub-section (3) of Section 113 of the Act of 1908, so far as such provisions, as amended by Section 39 of the new Act, relate to the furnishing of copies of Balance Sheets and Auditors' Reports in the case of a Public Company. Under Section 41 of the new Act any Member of a Public Company, whether he is or is not entitled to have sent to him copies of the Company's Balance Sheets, and any Holder of Debentures of a Public Company, is entitled to be furnished gratis on demand with a copy of the last Balance Sheet of the Company (including every document required by law to be annexed thereto), together with a copy of the report of the Company's Auditors on the Balance Sheet. Failure to comply with the demand within seven days after the making thereof involves a penalty not exceeding £5 for every day during which the default continues.

It is to be noted that Section 41 of the new Act does not apply to a Private Company, whereas Section 113, Sub-section (3), of the Act of 1908, as amended by Section 39 of the new Act, does. The effect is that, in the case of a Private Company, any Member has the same right to be furnished with a copy of the Balance Sheet and Auditors' Report (on payment of the prescribed fee) as is possessed by a Member of a Public Company and by a Holder of Debentures of a Public Company, but a Holder of Debentures of a Private Company has no such right.

Section 74 of the new Act makes provision for the punishment of Directors of Companies in liquidation where such officers have failed to keep proper books of account.

Adjourned Meetings.

The case of Neuschild *v.* British Equatorial Oil Co. ([1925] 1 Ch. 346) and the earlier cases therein cited

show that in law an adjournment of a Meeting is regarded as a continuation of the original Meeting, and that Resolutions passed at an adjourned Meeting are deemed to be passed on the day on which the original Meeting was held. The effect of these cases is nullified by Section 30 of the new Act, which provides that where, after the commencement of the Act, a Resolution is passed at an adjourned Meeting of

(*a*) A Company,
(*b*) The Holders of any class of Shares in a Company,
(*c*) The Directors of a Company,
(*d*) Any Creditors or Contributories of a Company,

the Resolution shall for all purposes be treated as having been passed on the date on which it was in fact passed, and shall not be deemed to have been passed on any earlier date.

Amalgamation and Reconstruction.

Section 50 of the new Act relates to schemes of amalgamation and provides for the compulsory transfer of Shares of dissenting Shareholders. Where a scheme or contract involving the transfer of Shares or any class of Shares has within four months after the making of the offer in that behalf by the Transferee Company been approved by the Holders of not less than nine-tenths in value of the Shares or class of Shares affected, the Transferee Company may give notice in the prescribed manner to any dissenting Shareholder that it desires to acquire his Shares. The notice may be given at any time within two months after the expiration of the said period of four months and, unless on an application made by the dissenting Shareholder within one month after the date on which the notice was given the Court thinks fit to order otherwise, the Transferee Company is entitled and bound to acquire the Shares of the dissenting Shareholder on the terms on which under the scheme or

contract the Shares of the approving Shareholders are to be transferred to the Transferee Company.

With certain modifications, the provisions of the Section apply to a case where any such scheme or contract has been approved prior to the commencement of the Act, provided that an application to the Court is made by the Transferee Company within two months after the commencement of the Act.

The amount payable by the Transferee Company for the Shares which it is entitled to acquire by virtue of the Section must be paid to the Transferor Company, which shall thereupon register the Transferee Company as the Holder of the Shares. Any sums so received by the Transferor Company must be paid into a separate bank account and be held on trust for the persons entitled to the Shares in respect of which the sums have been received.

The expression "dissenting Shareholder" used above includes any Shareholder who has not assented to the scheme or contract and any Shareholder who has failed or refused to transfer his Shares to the Transferee Company in accordance with the scheme or contract.

Provision for facilitating the amalgamation and reconstruction of Companies is made by Section 54 of the new Act. This Section provides that where an application is made to the Court under Section 120 of the Act of 1908 for the sanctioning of a compromise or arrangement proposed between a Company and any such persons as are mentioned in that Section, and it is shown to the Court that the compromise or arrangement has been proposed for the purposes of or in connection with a scheme for the reconstruction of any Company or Companies or amalgamation of any two or more Companies, and that under the scheme the whole or any part of the undertaking or property of any Company concerned in the scheme (in the Section referred to as "a Transferor Company") is to be transferred to another Company (in the Section referred

to as "the Transferee Company"), the Court may, either by the Order sanctioning the compromise or arrangement or by any subsequent Order, make provision for all or any of the following matters :—

(*a*) The transfer to the Transferee Company of the whole or any part of the undertaking and of the property or liabilities of any Transferor Company;
(*b*) The allotting or appropriation by the Transferee Company of any shares, debentures, policies, or other like interests in that Company which under the compromise or arrangement are to be allotted or appropriated by that Company to or for any person;
(*c*) The continuation by or against the Transferee Company of any legal proceedings pending by or against any Transferor Company;
(*d*) The dissolution, without winding up, of any Transferor Company;
(*e*) The provision to be made for any persons who, within such time and in such manner as the Court direct, dissent from the compromise or arrangement;
(*f*) Such incidental, consequential, and supplemental matters as are necessary to secure that the reconstruction or amalgamation shall be fully and effectively carried out.

Where an Order made under this Section of the new Act provides for the transfer of property or liabilities, that property shall by virtue of the Order be transferred to and vest in, and those liabilities shall by virtue of the Order be transferred to and become the liabilities of, the Transferee Company, and in the case of any property, if the Order so directs, freed from any charge which is by virtue of the compromise or arrangement to cease to have effect. Every Company in relation to which such an Order is made must file an office copy thereof with the Registrar within seven days after the making of the Order, the penalty for default being £5 for every day during which the default continues. The word "property" used in the Section includes property, rights and powers of every description, and the word "liabilities" includes duties.

By virtue of the new Section, the word " Company," used in Section 120 of the Act of 1908, is not to include any Company other than a Company within the meaning of the Act of 1908 (that is to say, a Company formed and registered under the Joint Stock Companies Acts, or under The Companies Act, 1862, or under the Act of 1908).

The Transferee Company in a reconstruction scheme to which Section 192 of the Act of 1908 applies may under Section 65 of the new Act be a Foreign Company, the decision in Thomas *v.* United Butter Companies of France ([1909] 2 Ch. 484) being thus nullified.*

Annual Return.

The Annual Return required to be filed pursuant to Section 26 of the Act of 1908 must under Section 6 of the new Act either contain a list of Members arranged in alphabetical order or, if the names in the list are not so arranged, have annexed to it an index sufficient to enable the name of any person in the list to be readily found. The Return must also state the address of the Registered Office of the Company, such statement being without prejudice to the obligation of the Company under Section 62 of the Act of 1908 to give notice to the Registrar of the situation of the Registered Office and of any change therein.

In addition to making one or two minor amendments in the form of the Annual Return, Section 6 of the new Act replaces Sub-section (3) of Section 26 of the Act of 1908 (as to the inclusion in the Annual Return of a statement in the form of a balance sheet) by a provision to the effect that the Annual Return of a Public Company shall include a written copy, certified by a Director or the Manager or Secretary of the Company to be a true copy, of the last balance sheet which has been audited

* As to relief from Capital and Transfer Duty in certain cases of Amalgamation and Reconstruction, see Section 55 of The Finance Act, 1927 and Section 31 of The Finance Act, 1928.

by the Company's Auditors (including every document required by law to be annexed thereto) together with a copy of the report of the Auditors thereon (certified as aforesaid), and if any such balance sheet is in a foreign language there must also be annexed to it a translation thereof in English, certified in the prescribed manner to be a correct translation. Where the said last balance sheet does not comply with the requirements of the law as in force at the date of the audit with respect to the form of balance sheets, there must be made such additions to and corrections in the said copy as would have been required to be made in the said balance sheet in order to make it comply with the said requirements, and the fact that the said copy has been so amended must be stated thereon.

A period of fourteen days (instead of the period of seven days mentioned in Section 26, Sub-section (4), of the Act of 1908) is allowed by Section 6 of the new Act within which to complete the Annual Return, the said period being calculated from the fourteenth day after the first or only Ordinary General Meeting in the year, and the copy to be filed with the Registrar may be signed by a Director or by the Manager or Secretary of the Company.

The penalty prescribed by Sub-section (5) of Section 26 of the Act of 1908 is extended so as to be enforceable against the Secretary or other officer of the Company as well as against the Company and every Director and Manager who knowingly and wilfully authorises or permits the default.

A modified form of Annual Return is by Section 7 of the new Act required to be filed by Companies not having a Share Capital. (See COMPANIES LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL.)

Arbitration.

Section 119 of the Act of 1908 (which Section re-enacted Sections 72 and 73 of The Companies Act, 1862) makes provision for differences between a

Company and any other Company or person being referred to arbitration in accordance with The Railway Companies Arbitration Act, 1859. In view, however, of the provisions of The Arbitration Act, 1889, such re-enactment does not appear to have been necessary, and the said Section of the Act of 1908 is repealed by Section 51 of and the Third Schedule to the new Act.

Articles of Association.

Section 3 of the new Act renders ineffective an alteration of the Articles (or the Memorandum) under which an existing Member (who has not agreed in writing to be bound by such an alteration) is required to take up further Shares or under which his liability to contribute to the Share Capital of or otherwise to pay money to the Company is increased. The said Section has no doubt been introduced in consequence of the decision in Biddulph *v.* Agricultural Wholesale Society ([1926] 95 L.J. (H.L.) 576) in which case it was held that a Member of an Industrial Society was bound by an alteration of the Rules which required him to take up further Shares of the Society.

Associations Not for Profit.

By virtue of Section 20, Sub-section (3), of the Act of 1908, Associations Not for Profit have been exempt from the statutory provisions relating to the filing of Annual Returns, and although they have been required to file, within a month after incorporation, particulars of their Directors or Managers in order to comply with the Act of 1917 they have also been exempt from recording any change in such particulars. The last-mentioned exemption is, however, withdrawn by the amendment of the said Section by the Second Schedule to the new Act. (See also COMPANIES LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL, AND NAME OF COMPANY.)

Auditors.

A Director or officer of a Company is, by Section 112, Sub-section (3), of the Act of 1908, precluded from being appointed Auditor of the Company, and this provision is by Section 86 of the new Act extended so as to prohibit any person being the partner or in the employment of any officer of a Company (other than a Private Company) from being appointed Auditor of the Company. Further by Section 85 of the new Act a body corporate (not being a firm in Scotland) is precluded from being appointed, after the passing of the Act, Auditor of a Company.

Section 86 of the new Act permits the appointment of the first Auditors by the Directors at any time before the first Annual General Meeting, and Auditors so appointed are to hold office until that Meeting unless previously removed by the Company in General Meeting. If the Directors do not exercise the power so conferred upon them, the appointment of the first Auditors may be made by the Company in General Meeting. The said Section also entitles an Auditor to attend any General Meeting at which any Accounts which have been examined or reported on by him are to be laid before the Meeting and to make any statement or explanation with respect to the Accounts. Further, the said Section nullifies the effect of a clause in the Company's Articles exempting an Auditor from liability in respect of negligence, default, breach of duty, or breach of trust in relation to the Company.

Bankrupts.

An undischarged bankrupt is, by Section 84 of the new Act, prohibited from acting as Director or taking part in the management of a Company except with the leave of the Court by which he was adjudged bankrupt; but this prohibition does not apply to a person who was a Director before the passing of the new Act and has continuously so acted and whose

bankruptcy was prior to the passing of the Act. A person contravening the provisions of the said Section is liable on conviction on indictment to imprisonment for a term not exceeding two years or on summary conviction to imprisonment for a term not exceeding six months or to a fine not exceeding £500 or to both such imprisonment and fine.

Cancellation of Shares.

The cancellation of any unissued Shares under the power conferred by Section 41 of the Act of 1908 is required by Section 13 of the new Act to be effected by the Company in General Meeting.

Notice of the cancellation of any such Shares must, under Section 14 of the new Act, be filed within one month after the cancellation. The penalty for default is £5 for every day during which the default continues.

The Act of 1908 does not require notice of such a cancellation to be filed.

Every copy of the Memorandum issued after the cancellation of any unissued Shares must be in accordance with the alteration. (See Section 4 of the new Act, replacing Sub-section (3) of Section 41 of the Act of 1908, which is repealed by Section 12 of and the Third Schedule to the new Act.)

Certificates of Shares, &c.

Under Section 42 of the new Act, which amends Section 92, Sub-section (1), of the Act of 1908 the requisite Certificates or Debentures must, unless the conditions of issue otherwise provide, be ready for delivery within two months after the date on which a Transfer of any Shares, Debentures, or Debenture Stock (being a Transfer duly stamped and otherwise valid, but not including such a Transfer as the Company is for any reason entitled to refuse to register and does not register) is lodged with the Company.

If any Company on whom a notice has been served requiring the Company to make good any default in complying with the above requirement fails to make good the default within ten days after the service of the notice, the Court may, on the application of the person entitled to have the Certificates or the Debentures delivered to him, make an order directing the Company and any officer of the Company to make good the default within such time as may be specified in the Order, and any such Order may provide that all costs of and incidental to the application shall be borne by the Company or by any officer of the Company responsible for the default.

In the event of a Company refusing to register any Transfer, the Company must, within two months after the lodgment of the Transfer, send to the Transferee notice of the refusal.

Commencement of Business and Exercise of Borrowing Powers.

Section 87 of the Act of 1908 (which imposes restrictions on the commencement of business and exercise of borrowing powers) is amended by Section 35 of and the Second Schedule to the new Act so as to apply only to Companies having a Share Capital and which have offered Shares to the public for subscription. Accordingly a Trading Certificate is no longer required by a Company which has not a Share Capital or by a Company which does not offer any of its Shares to the public for subscription.

Commissions.

By Section 38 of the new Act the rate of commission which may be paid in connection with an issue of Shares is limited to ten per cent. of the price at which the Shares are issued, and the number of Shares which persons have agreed for a commission to

subscribe absolutely is required to be disclosed. In the case of Shares offered to the public for subscription, such disclosure must be made in the Prospectus; whereas in the case of Shares not offered to the public for subscription the disclosure must be in the Statement in Lieu of Prospectus or in the prescribed form of Statement as to Commission. The last-mentioned form, when required to be filed, must be lodged with the Registrar before the payment of the commission, the penalty for default being a fine not exceeding £25. By the Second Schedule to the new Act default in complying with the provisions of Section 90 of the Act of 1908 as to disclosing in the Balance Sheet particulars of any sums paid by way of commission in respect of any Shares or Debentures or allowed by way of discount in respect of any Debentures, or so much thereof as has not been written off, involves a liability to a fine not exceeding £5 for every day during which the default continues. (See also DISCOUNTS.)

Companies Limited by Guarantee and Having a Share Capital.

Section 10, Sub-section (3), of the Act of 1908 as amended by the Second Schedule to the new Act applies only to Unlimited Companies, and it is accordingly no longer necessary to state the amount of the original Share Capital in the Articles of a Company Limited by Guarantee and Having a Share Capital. The amount of the original Share Capital must, of course, be stated in the Memorandum of such a Company.

Where a Company Limited by Guarantee has a Share Capital and was registered on or after the 1st January, 1901, the Share Capital may under Section 56 of the Act of 1908 be increased or reduced in the same way as that of a Company Limited by Shares. The Section referred to is repealed by the Third Schedule to the new Act, and Sections 41 and 46 of the Act of 1908

are by Section 12 of and the Second Schedule to the new Act, extended so as to apply to Companies Limited by Guarantee and Having a Share Capital. Accordingly such a Company, whenever registered, has the same power as a Company Limited by Shares to increase or reduce its Share Capital, consolidate and subdivide Shares, convert Shares into Stock and reconvert Stock into Shares, and cancel unissued Shares.

A Company Limited by Guarantee and Having a Share Capital must now comply with the provisions of Section 88 of the Act of 1908 as to the filing of Returns of Allotments and Agreements or the prescribed Forms of Particulars of Contract in the case of Shares allotted as fully or partly paid up otherwise than in cash. (See the Second Schedule to the new Act.)

Companies Limited by Guarantee and Not Having a Share Capital.

An Annual Return is by Section 7 of the new Act required to be filed by every Company not having a Share Capital. The Return must state the address of the Registered Office of the Company and must include the particulars respecting the Directors which are required to be contained in the Register of Directors. The Return must also contain particulars of the amount of the indebtedness of the Company in respect of registrable charges and include a true copy of the last Balance Sheet. The Return is required to be contained in a separate part of the Register of Members, and to be completed within twenty-eight days after the first or only General Meeting in the year, and a copy, signed by a Director, Manager or Secretary of the Company, must be filed forthwith after completion of the Return. The inclusion in the Return of a statement of the Registered Office is not to satisfy the requirements of Section 62 of the Act of 1908 as to giving to the

Registrar notice of the situation of the Registered Office and of any change therein.

The foregoing requirements are entirely new, as hitherto Companies not having a Share Capital have not been required to file an Annual Return.

By an amendment of Section 87 of the Act of 1908 by the Second Schedule to the new Act a Company Limited by Guarantee and Not Having a Share Capital is no longer required to obtain a Trading Certificate before commencing business or exercising its borrowing powers.

The scale of fees payable (under Part II of Table B in the First Schedule to the Act of 1908) on the incorporation of a Company Limited by Guarantee and not having a Share Capital is slightly varied by the Second Schedule to the new Act.

Consolidation of Shares.

The power conferred upon a Company by Section 41 of the Act of 1908 to consolidate its Share Capital into Shares of larger amount than its existing Shares must, under Section 13 of the new Act, be exercised by the Company in General Meeting.

The Notice of any such consolidation must, under Section 14 of the new Act, be filed within one month after the consolidation. The penalty for default is £5 for every day during which the default continues.

The Act of 1908 does not fix any period within which the Notice must be filed or prescribe any penalty for default.

Every copy of the Memorandum issued after the Share Capital has been consolidated into Shares of larger amount than its existing Shares must be in accordance with the alteration. (See Section 4 of new Act, replacing Sub-section (3) of Section 41 of the Act of 1908, which is repealed by Section 12 of and the Third Schedule to the new Act.)

Conversion of Shares into Stock.

The power conferred upon a Company by Section 41 of the Act of 1908 to convert Shares into Stock, or to reconvert Stock into Shares, must, under Section 13 of the new Act, be exercised by the Company in General Meeting.

The Notice of any such conversion or reconversion must, under Section 14 of the new Act, be filed within one month after the conversion or reconversion, as the case may be. The penalty for default is £5 for every day during which the default continues.

The Act of 1908 does not fix any period during which the Notice must be filed or prescribe any penalty for default.

Every copy of the Memorandum issued after the conversion of Shares into Stock or the reconversion of Stock into Shares must be in accordance with the alteration. (See Section 4 of the new Act, replacing Sub-section (3) of Section 41 of the Act of 1908, which is repealed by Section 12 of and the Third Schedule to the new Act.)

Debentures.

Under Section 102 of the Act of 1908 the Register of Holders of Debentures may be closed in accordance with the Articles of Association during such period or periods (not exceeding in the whole thirty days in any year) as may be specified in the Articles. The provision as to specifying the period in the Articles is amended by Section 46 of the new Act which allows the period to be specified in the Articles of Association or in the Debentures, or, in the case of Debenture Stock, in the Stock Certificates, or in the Trust Deed or other document securing the Debentures or Debenture Stock.

Although Section 102 of the Act of 1908 imposes a penalty for failure to allow inspection of the Register of Holders of Debentures or for failure to supply a

copy of the Register or of any Trust Deed, no provision is made by the Section for compelling a Company to allow inspection or furnish the copies required. This defect is remedied by Section 46 of the new Act, which expressly provides that the Court may by Order compel an immediate inspection of the Register or direct that the copies required shall be sent to the persons requiring them.

The reissue of redeemed Debentures could only be made under Section 104 of the Act of 1908 if the Company had purported to exercise the power to keep the Debentures alive for the purposes of reissue. Under Section 47 of the new Act, however, the power to reissue redeemed Debentures is exercisable without any steps having been taken to keep the redeemed Debentures alive, unless any provision to the contrary (whether express or implied) is contained in the Articles of Association or in any contract entered into by the Company, or unless the Company has, by passing a Resolution to that effect or by some other act, manifested its intention that the Debentures shall be cancelled. As in the past, a Memorandum of Satisfaction should not be filed in respect of Debentures which have been redeemed and which are intended to be available for reissue.

The holders of reissued Debentures are entitled to the same priorities as if the Debentures had never been redeemed.

No transfer to a nominee is necessary in order to keep the redeemed Debentures alive.

When a Company has power to reissue Debentures which have been redeemed, particulars with respect to the Debentures which can be so reissued must be included in the Balance Sheet of the Company.

The expression "Debenture" in the Act of 1908 includes Debenture Stock. By the Second Schedule to the new Act it is provided that such expression shall also include bonds and any other securities of a

Company whether constituting a charge on the assets of the Company or not.

Defunct Companies.

The provisions of Section 242 of the Act of 1908 (as to the removal from the Register of the names of defunct Companies) are amended in various respects by the Second Schedule to the new Act. In particular, the period within which an application may be made for the restoration to the Register of the name of a Company which has been struck off the Register is limited to twenty years.

Directors.

Every Public Company registered after the commencement of the new Act is required by Section 28 thereof to have at least two Directors.

The restrictions on the appointment or advertisement of Directors are those contained in Section 72 of the Act of 1908, as amended by Section 29 of the new Act. By virtue of these Sections, a person may not be appointed a Director by the Articles of a Public Company or be named as a Director or proposed Director in any Prospectus issued by or on behalf of the Company, or as a proposed Director of an intended Company in any Prospectus issued in relation to that intended Company, or in any Statement in Lieu of Prospectus filed by or on behalf of the Company unless he, or his agent authorised in writing, has—

(1) Signed and filed with the Registrar a Consent in writing to act as such Director; and
(2) Either signed the Memorandum for his qualification Shares (if any), or taken from the Company and paid or agreed to pay for such Shares, or signed and filed with the Registrar a written undertaking to take from the Company and pay for such Shares, or made and filed with the Registrar a statutory declaration to the effect that such Shares are registered in his name.

A Director who has signed and filed an undertaking as mentioned above is, as regards his qualification Shares, in the same position as if he had signed the Memorandum for the Shares comprised in the undertaking.

The restrictions referred to above do not apply to a Company not having a Share Capital, nor to a Private Company, nor to a Company which was a Private Company before being converted into a Public Company, nor to a Prospectus issued after the expiration of one year from the date on which the Company was entitled to commence business.

Subject as therein mentioned, Section 78 of the new Act renders ineffective a Clause in a Company's Articles, or in any contract, which purports to exempt a Director, Manager, or other officer from liability in respect of any negligence, default, breach of duty, or breach of trust of which he may be guilty in relation to the Company.

Section 79 of the new Act provides that the accounts to be laid before the Company at the Annual General Meeting must contain particulars showing—

(*a*) The amount of any loans which during the period to which the Accounts relate have been made either by the Company or by any other person under a guarantee from or on a security provided by the Company to any Director or Officer of the Company, including any such loans which were repaid during the said period; and

(*b*) The amount of any loans made in manner aforesaid to any Director or Officer at any time before the period aforesaid and outstanding at the expiration thereof.

The foregoing provisions as to disclosure of loans to Officers of the Company do not apply—

(i) In the case of a Company the ordinary business of which includes the lending of money, to a loan made by the Company in the ordinary course of its business; or

(ii) To a loan made by the Company to any employee of the Company if the loan does not exceed £2000 and is certified by the Directors of the Company to have been made in accordance with any practice adopted or about

to be adopted by the Company with respect to loans to its employees.

Under Section 79 of the new Act it is also necessary to state in the Annual Accounts particulars of the remuneration paid to Directors, other than a Managing Director. Such remuneration is deemed to include all fees, percentages, or other emoluments paid to or receivable by the Directors by or from the Company or by or from any subsidiary Company. In the case of any Director other than a Managing Director who holds a salaried office in the Company there is required to be included sums paid to him by way of Director's fees, but not the amount of his salary.

Section 80 of the new Act requires the Directors of a Company on a demand made in writing by Members entitled to not less than one-fourth of the aggregate number of votes to which all the Members of the Company are together entitled, to furnish within one month from the receipt of the demand a statement of the aggregate amount received by the Directors by way of remuneration or other emoluments in each of the last three preceding years. Such amount must include the remuneration or other emoluments received by any Director who is acting as a Director of a subsidiary Company or is acting, by virtue of the direct or indirect nomination of the Company, as a Director of any other Company. The sums paid to or emoluments received by an individual Director are not required to be disclosed. Such a statement need not be furnished if within one month of the demand therefor the Company resolves that it shall not be furnished.

The Articles of a Company usually provide for the disclosure by a Director of his interest in contracts with the Company. Section 81 of the new Act renders such disclosure compulsory, and prescribes the manner in which it is to be made, the penalty for default being a fine of £100. The new Section does not prejudice the operation of any rule of law restricting Directors of a

Company from having any interest in contracts with the Company, and accordingly Directors are still debarred from entering into contracts with the Company unless an express power is conferred by the Articles.

Section 82 of the new Act makes it illegal in connection with the transfer of the whole or any part of the undertaking or property of a Company for any payment to be made to any Director of the Company by way of compensation for loss of office or as consideration for or in connection with his retirement from office unless particulars with respect to the proposed payment, including the amount thereof, have been disclosed to the Members of the Company and the proposal has been approved by the Company, and where any payment which is by the Section declared to be illegal is made to a Director the amount received is to be deemed to have been received by him in trust for the Company.

Where any payment is to be made as aforesaid to any Director of a Company in connection with the transfer to any persons, as a result of an offer made to the general body of Shareholders, of all or any of the Shares in the Company, it is the duty of that Director to take all reasonable steps to secure that particulars with respect to the proposed payment, including the amount thereof, are included in or sent with any notice of the offer made for their Shares which is given to any Member of the Company.

If any such Director fails to take reasonable steps as mentioned above, or if any person who has been properly required by any such Director to include the said particulars in or send them with any such notice fails so to do, he is liable to a fine not exceeding £25, and if the requirements specified in the last preceding paragraph are not complied with in relation to any such payment, any sum received by the Director on account of the payment shall be deemed to have been received by him

in trust for any persons who have sold their Shares as a result of the offer made.

Where, in connection with such a transfer, the price to be paid to a Director whose office is to be abolished, or who is to retire from office, for any of his Shares exceeds the price which could at the time have been obtained by other holders of like Shares, or any valuable consideration is given to any such Director, the excess or the money value of the consideration, as the case may be, is for the purposes of Section 82 of the new Act to be deemed to be a payment made by way of compensation for loss of office or as consideration for or in connection with his retirement from office.

Notwithstanding anything to the contrary in the Articles or any Agreement, the power of a Director or Manager to assign his office as such to another person is, by Section 83 of the new Act, made subject to the approval of a Special Resolution of the Company.

Section 94 of the new Act provides that the giving of advice by a person in a professional capacity shall not alone constitute such person a Director of the Company.

Discounts.

Under Section 37 of the new Act, power to issue at a discount Shares of a class already issued is conferred upon Companies subject to the following conditions :—

(*a*) The issue of the Shares at a discount must be authorised by resolution passed in General Meeting of the Company, and must be sanctioned by the Court;

(*b*) The Resolution must specify the maximum rate of discount at which the Shares are to be issued;

(*c*) Not less than one year must at the date of the issue have elapsed since the date on which the Company was entitled to commence business;

(*d*) The Shares to be issued at a discount must be issued within one month after the date on which the issue is sanctioned by the Court or within such extended time as the Court may allow.

Where a Company has passed a Resolution authorising the issue of Shares at a discount, it may apply to the Court for an Order sanctioning the issue, and on any such application the Court, if, having regard to all the circumstances of the case, it thinks proper so to do, may make an Order sanctioning the issue on such terms and conditions as it thinks fit.

Particulars of the discount allowed on the issue of Shares, or of so much of that discount as has not been written off, must be contained in every Annual Return, in every Prospectus relating to the issue of the Shares, and in every Balance Sheet issued by the Company subsequently to the issue of the Shares.

The penalty for default is £5 for every day during which the default continues.

Dominion Register.

Section 34 of the Act of 1908 (which authorises certain Companies having a Share Capital to keep Colonial Registers) is replaced by Section 10 of the new Act, which confers similar powers as to keeping Dominion Registers, and any references to a Colonial Register in the Act of 1908 or in any Articles registered before the commencement of the new Act will be construed as references to a Dominion Register.

Notice of the situation of the office where any Dominion Register is kept, and of any change in its situation, and if it is discontinued of its discontinuance, must be filed with the Registrar within fourteen days of the opening of the office, or the change or discontinuance, as the case may be.

Default in complying with the new statutory requirements or the requirements of Section 35, Subsection (3), of the Act of 1908 (which enacts regulations as to Colonial Registers) involves liability to a fine not exceeding £5 for every day during which the default continues.

By Order in Council, the provisions as to keeping

Dominion Registers may be extended to any territories under His Majesty's protection.

Under Section 11 of the new Act, the provisions of Sections 30 and 32 of the Act of 1908 (as to keeping a Register of Members and as to the rectification thereof) may by Order in Council be extended to apply to Companies incorporated in any part of His Majesty's Dominions which have power to keep in Great Britain branch registers of their Members resident in Great Britain. For the purposes of the said Section, the expression " His Majesty's Dominions " includes any territory which is under His Majesty's protection or in respect of which a mandate under the League of Nations has been accepted by His Majesty.

Extraordinary Resolutions.

The definition of an Extraordinary Resolution, as contained in Section 69 of the Act of 1908, is amended by Section 25 of the new Act. By virtue of the amendment, the votes to which any Members who abstain from voting are entitled are to be disregarded in computing whether or not a sufficient majority has been obtained. Further, under the new Section, the power to demand a poll at any Meeting at which an Extraordinary (or Special) Resolution is submitted for passing is exercisable if demanded (*a*) by such number of Members for the time being entitled under the Articles to vote at the Meeting as may be specified in the Articles, so, however, that it shall not in any case be necessary for more than five Members to make the demand; or (*b*) if no provision is made by the Articles with respect to the right to demand a poll, by three Members so entitled or by one Member or two Members so entitled if that member holds or those two members together hold not less than fifteen per cent. of the paid-up Share Capital of the Company.

The requirements as to filing with the Registrar a printed copy of every Extraordinary Resolution have

been extended by Section 26 of the new Act, under which it is now also necessary to file a printed copy of every Resolution which has been agreed to by all the members, but which, if not so agreed to, would not have been effective unless passed as an Extraordinary (or Special) Resolution, and a printed copy of every Resolution or agreement which has been agreed to by all the members of some class of Shareholders, but which, if not so agreed to, would not have been effective for its purpose unless it had been passed by some particular majority or otherwise in some particular manner, and of every Resolution or agreement which effectively binds all the members of any class of Shareholders though not agreed to by all those members. Further, where Articles have been registered, a copy of every such Resolution for the time being in force must be embodied in or annexed to every copy of the Articles issued after the passing of the Resolution; and where Articles have not been registered, a printed copy of every such Resolution must be forwarded to any member at his request on payment of 1s. or such less sum as the Company may direct.

The penalty for default is extended so as to be enforceable against the Secretary or other officer and every Liquidator, as well as against the Company and every Director and Manager who knowingly and wilfully authorises or permits the default.

False Statements.

The liability to a penalty for making false statements in certain documents (see Section 281 of, and the Fifth Schedule to, the Act of 1908 as amended by Section 17 of The Perjury Act, 1911) is by the Second Schedule to the new Act extended to a Prospectus in respect of the particulars to be stated therein under the provisions of Section 81 of the Act of 1908, as amended by Sections 33 and 34 of the new Act.

Foreign and Colonial Companies.

Section 274 of the Act of 1908 is extended by Section 89 of the new Act so as to apply to Companies incorporated outside Great Britain which before the commencement of the Act of 1908 established and at the commencement of the new Act continue to have a place of business within Great Britain, and to all Companies incorporated in the Irish Free State or Northern Ireland which at the commencement of the new Act have such a place of business. The said Section of the new Act also provides for the filing of a Notice of Cessation of business and extends Subsection (4) of Section 274 of the Act of 1908 so as to apply to every Company within such Section, whether or not the Company uses the words "Limited" as part of its name. Further, where the liability of the Members of a Company to which Section 274 of the Act of 1908 applies is limited, notice of that fact must be stated in every Prospectus inviting subscriptions for its Shares or Debentures in Great Britain, and in all bill-heads, letterpaper, notices, advertisements and other official publications of the Company in Great Britain, and must be affixed on every place where it carries on business.

Any document required to be filed by a Company to which Section 274 of the Act of 1908 as amended by Section 89 of the new Act applies must be filed with the Registrar in that part of Great Britain in which the Company has established a place of business, and where it has established a place of business in both parts of Great Britain the document must be filed at the Registration office in both such parts.

Section 90 of the new Act enables service of a document on a Company to which Section 274 of the Act of 1908 (as amended by the new Act) applies to be effected by leaving the same at or sending it by

post to the place of business established by the Company in Great Britain. This mode of service may, however, only be adopted where the Company has not filed the name and address of a person resident in Great Britain who is authorised to accept on behalf of the Company service of process or notices, or when the persons whose names and addresses have been so filed are dead or have ceased so to reside, or refuse to accept service on behalf of the Company, or for any reason cannot be so served.

Sub-section (2) of Section 90 of the new Act replaces Sub-section (3) of Section 274 of the Act of 1908 and provides for the filing of copies of Balance Sheets and also translations thereof if the same are in a foreign language.

Under Section 90, Subsection (5), of the new Act a Company incorporated in the Channel Islands or the Isle of Man which establishes a place of business in England or Scotland must make the same Returns &c. to the Registrar in England or Scotland, as the case may be, as it would if incorporated in England or Scotland. The said requirements must also be complied with by a Company incorporated in the Channel Islands or the Isle of Man which prior to the new Act established a place of business in Great Britain and at the commencement of the new Act continues to have such a place of business.

By Section 91 of the new Act provision is made for the winding up of Companies incorporated outside Great Britain which, having been carrying on business in Great Britain, cease to carry on such business.

As to the provisions of the new Act with respect to Prospectuses of Foreign Companies inviting subscriptions for Shares or Debentures, or offering Shares or Debentures for sale, reference should be made to Section 93 thereof.

General Meetings.

The penalty for failing to hold a General Meeting once at least in every calendar year as required by Section 64 of the Act of 1908 is to be enforceable only against the Company and every Director or Manager thereof, and not against the Secretary or other officer of the Company. (See the Second Schedule to the new Act.)

One of the objections to Section 66 of the Act of 1908 (which provides for the convening of an Extraordinary General Meeting on a requisition by certain Shareholders) was that Members holding Shares carrying no voting rights could requisition a Meeting. This objection is removed by Section 22 of the new Act, which requires such a requisition to be signed by Members of the Company holding at the date of the deposit of the requisition not less than one-tenth of such of the paid-up Capital of the Company as at the date of the deposit carries the right of voting at General Meetings of the Company or, in the case of a Company not having a Share Capital, members of the Company representing not less than one-tenth of the total voting right of all the Members having at the said date a right to vote at General Meetings of the Company.

The last-mentioned Section also makes it clear that the Meeting is to be convened (but not necessarily held) within twenty-one days from the date of the deposit of the requisition, and that if the Directors do not within that time proceed duly to convene a Meeting, the requisitionists, or any of them representing more than one-half of the total voting rights of all of them, may themselves convene a Meeting to be held not later than three months from the date of the deposit. Any reasonable expenses incurred by the requisitionists by reason of the failure of the Directors duly to convene a Meeting are to be repaid to the requisitionists by the

Company, and any sum so repaid shall be retained by the Company out of any sums due or to become due from the Company by way of fees or other remuneration in respect of their services to such of the Directors as were in default.

In the case of a Meeting at which a resolution is to be proposed as a Special Resolution, the Directors must give such notice of the Meeting as is required by Section 69 of the Act of 1908, as amended by Section 25 of the new Act (as to which see page 61).

Where the Articles make no provision, or insufficient provision, with respect to General Meetings and voting thereat, the following provisions apply by virtue of Section 23 of the new Act, which replaces Section 67 of the Act of 1908 :—

(1) A Meeting, other than a Meeting for the passing of a Special Resolution, may be called by seven days' notice in writing;
(2) Notice of the Meeting must be served on every Member of the Company in the manner in which notices are required to be served by the Table A of 1908;
(3) Two or more Members holding not less than one-tenth of the issued Share Capital or, if the Company has not a Share Capital, not less than five per cent. in number of the Members of the Company may call a Meeting;
(4) In the case of a Private Company two members, and in the case of any other Company three members, personally present shall be a quorum;
(5) Any Member elected by the Members present at a Meeting may be chairman thereof;
(6) In the case of a Company originally having a Share Capital, every Member shall have one vote in respect of each Share or each ten pounds of Stock held by him, and in any other case every Member shall have one vote.

Section 23 of the new Act also provides that if for any reason it is impracticable to call a Meeting of a Company in any manner in which Meetings of that Company may be called or to conduct the Meeting of

the Company in manner prescribed by the articles or the Companies Acts, the Court, either on the application of any Director of the Company or of any Member of the Company who would be entitled to vote at the Meeting or of its own motion, may order a Meeting of the Company to be called, held, and conducted in such manner as the Court thinks fit, and where any such Order is made may give such ancillary or consequential directions as it thinks expedient, and any Meeting called, held, and conducted in accordance with any such Order shall for all purposes be deemed to be a Meeting of the Company duly called, held, and conducted.

Section 27 of the new Act requires the books containing the Minutes of General Meetings to be kept at the Registered Office of the Company. The books must be available for inspection by any member gratis during business hours (subject to reasonable restrictions made by the Company, but so that not less than two hours a day are allowed for inspection), and any member is entitled to be furnished within seven days of making a request in that behalf with a copy of such Minutes at a charge not exceeding 6*d*. for every one hundred words.

If inspection is refused or a copy not sent within the proper time there is incurred liability to a fine not exceeding £2 and a further fine of £2 a day whilst the refusal or default continues, and the Court may order an immediate inspection and direct copies to be supplied.

As to representation of Companies at Meetings of other Companies of which they are Members see page 51.

Increase of Capital.

The power conferred upon a Company by Section 41 of the Act of 1908 to increase its Share Capital must under Section 13 of the new Act be exercised by the Company in General Meeting.

The Notice of any such Increase of Capital is, by Section 15 of the new Act, which amends Section 44 of

the Act of 1908, required to include such particulars as may be prescribed with respect to the classes of Shares affected and the conditions subject to which the new Shares have been or are to be issued.

A printed copy of the Resolution authorising the Increase must be filed with the Notice, whether the Resolution has been passed as an Ordinary, Extra-ordinary, or Special Resolution.

The penalty for failing to file the Notice and copy Resolution is extended so as to be enforceable against the Secretary or other officer of the Company as well as against the Company and every Director and Manager who knowingly and wilfully authorises or permits the default.

Every copy of the Memorandum issued after the Capital has been increased must be in accordance with the alteration. (See Section 4 of the new Act, replacing Sub-section (3) of Section 41 of the Act of 1908, which is repealed by Section 12 of and the Third Schedule to the new Act.)

Investigation of Affairs.

By virtue of Section 48 of the new Act the security to be given by applicants for the appointment by the Board of Trade of an Inspector to investigate the affairs of a Company is not to exceed £100.

Under Sub-section (5) of Section 109 of the Act of 1908 a fine not exceeding £5 could be imposed if any officer or agent of the Company refused to produce to such an Inspector any book or document which it was his duty to produce or to answer any question relating to the affairs of the Company. Liability to this fine is no longer to be incurred, but Section 48 of the new Act provides that where any such refusal is certified by the Inspector the Court may inquire into the case and may punish the offender in like manner as if he had been guilty of contempt of Court.

By Section 48 of the new Act there is added to Section 109 of the Act of 1908 a new Sub-section under which provision is made for proceedings to be taken by the Director of Public Prosecutions if from the Inspector's Report it appears to the Board of Trade that any person has been guilty of any offence in relation to the Company for which he is criminally liable.

Under Sub-section (7) of Section 109 of the Act of 1908, the cost of an investigation falls in the first instance on the applicants, although the Board of Trade have under that Sub-section power, after the inquiry has been concluded, to declare that the cost be borne by the Company. The Sub-section is, however, replaced by Section 48 of the new Act, which provides that where, as a result of the investigation, a prosecution is instituted by the Director of Public Prosecutions, the expenses are to be defrayed by the Board of Trade, but in any other case the cost of the investigation is to be defrayed by the Company, unless the Board direct that the same shall be paid in whole or in part by the applicants. If a Company fails to pay any part of the sum for which it is liable, the applicants must make good the deficiency up to the amount by which the security given by them exceeds the amount which they have been directed by the Board of Trade to pay and any balance must be defrayed by the Board of Trade.

When an Inspector is appointed by Special Resolution of the Company pursuant to Section 110 of the Act of 1908, any officer or agent of the Company who refuses to produce to the Inspector any book or document which it is his duty so to produce or who refuses to answer any question which is put to him by the Inspector with respect to the affairs of the Company is now liable to be proceeded against in the same manner as if the Inspector had been appointed by the Board of Trade (Section 48, Sub-section (3), of the new Act).

Limited.

By Section 282 of the Act of 1908 a penalty is imposed for the use of the word " Limited " in a trading style if incorporation with limited liability has not been effected. The scope of such Section is extended by the Second Schedule to the new Act so as to involve a liability to such penalty in the event of the improper use of any contraction or imitation of the word " Limited."

Memorandum of Association.

A Company is by Section 2 of the new Act given the right to alter the provisions of its Memorandum by including among its objects a power to sell or dispose of the whole undertaking of the Company and a power to amalgamate with any other Company or body of persons. The effect of the Section is to nullify the decision of the Court of Session in John Walker & Sons ([1914] S.C. 280), and to give statutory recognition to the view taken in the English Courts.

The alteration referred to above must be made by Special Resolution, and is subject to confirmation by the Court under Section 9 of the Act of 1908.

Section 3 of the new Act renders ineffective an alteration of the Memorandum (or Articles) under which an existing Member (who has not agreed in writing to be bound by such an alteration) is required to take up further Shares or under which his liability to contribute to the Share Capital of or otherwise to pay money to the Company is increased. The Section was no doubt introduced in consequence of the decision in Biddulph *v.* Agricultural Wholesale Society ([1926] 95 L.J. (H.L.) 576), in which case it was held that a Member of an Industrial Society was bound by an alteration of the Rules which required him to take up further Shares of the Society.

Section 18 of the Act of 1908 (which requires copies of the Memorandum and Articles (if any) of a Company to be supplied to Members on request, subject to payment of a fee not exceeding 1*s.* for each copy) is amended by Section 4 of the new Act. The last-mentioned Section requires a Company to send to every Member, at his request, on payment of such sum not exceeding the published price thereof as the Company may require, a copy of any Act of Parliament which alters the Memorandum. The penalty for default (£1 for each offence) is by Section 18 of the Act of 1908 imposed upon the Company only, but under Section 4 of the new Act every Director, Manager, Secretary, or other officer of the Company who knowingly and wilfully authorises or permits the default is rendered liable to the like penalty.

Where alterations of the Memorandum are made pursuant to Sections 41, 52, or 61 of the Act of 1908, every copy of the Memorandum issued after the date of the alteration must be in accordance with the alteration, the Company and every Director and Manager of the Company who knowingly and wilfully authorises or permits the default being liable to a penalty of £1 for each copy in respect of which default is made. This requirement is by Section 4 of the new Act extended to any alteration in the Memorandum, and the liability to the penalty is also imposed upon the Secretary or other officer of the Company. By reason of such extension, Sub-section (3) of Section 41 of the Act of 1908 is no longer necessary and is repealed by Section 12 of and the Third Schedule to the new Act.

Minimum Subscription.

The requirement of Section 81, Sub-section (1) (*d*) of the Act of 1908 as to stating in a Prospectus the Minimum Subscription on which the Directors may

proceed to allotment is replaced by Section 35 of the new Act, under which it is necessary to state in a Prospectus offering Shares to the public for subscription particulars as to—

(A) The minimum amount which, in the opinion of the Directors, must be raised by the issue of those Shares in order to provide the sums (or if any part thereof is to be defrayed in any other manner, the balance of the sums) required to be provided in respect of each of the following matters :—

(i) The purchase price of any property purchased or to be purchased which is to be defrayed in whole or in part out of the proceeds of the issue;
(ii) Any preliminary expenses payable by the Company, and any commission so payable to any person in consideration of his agreeing to subscribe for, or of his procuring or agreeing to procure subscriptions for, any Shares in the Company;
(iii) The repayment of any moneys borrowed by the Company in respect of any of the foregoing matters;
(iv) Working capital; and

(B) The amounts to be provided in respect of the matters aforesaid otherwise than out of the proceeds of the issue and the sources out of which those amounts are to be provided.

Section 35 of the new Act also provides (in substitution for the provisions of Sub-sections (1) and (2) of Section 85 of the Act of 1908) that no allotment shall be made of any Share Capital of a Company offered to the public for subscription unless the amount stated in the Prospectus as the minimum amount which, in the opinion of the Directors, must be raised by the issue of Share Capital in order to provide for the matters specified in paragraphs (A) and (B) above has been subscribed and the sum payable on

application for the amount so stated has been paid to and received by the Company. For the purposes of this provision, a sum shall be deemed to have been paid to and received by the Company if a cheque for that sum has been received in good faith by the Company and the Directors have no reason for suspecting that the cheque will not be paid.

The amount stated in the Prospectus as the Minimum Subscription must be reckoned exclusively of any amount payable otherwise than in cash.

The provisions of Section 85 of the Act of 1908 as to Minimum Subscription and as to restrictions on the allotment of Shares do not apply to Private Companies, and such provisions, as amended by Section 35 of the new Act, will no longer apply to Public Companies which file a Statement in Lieu of Prospectus, Sub-section (7) of Section 85 of the Act of 1908 being repealed by Section 35, Sub-section (3), of and the Third Schedule to the new Act.

Minutes.—(See GENERAL MEETINGS.)

Modification of Rights.

Where the Share Capital of a Company is divided into different classes of Shares, the Articles frequently contain a Clause authorising the variation or abrogation of the rights attached to any class of Shares in the Company with the consent of a specified proportion of the holders of the issued Shares of that class or the sanction of a resolution passed at a separate Meeting of the holders of those Shares (see, for example, Clause 4 of the Table A of 1908). By Section 17 of the new Act it is enacted that if in pursuance of such a provision in the Memorandum or Articles the rights attached to any such class of Shares are at any time varied or abrogated, the holders of not less in the aggregate than fifteen per cent. of the issued Shares of that class, being persons who did not consent to, or

vote in favour of the resolution for, the variation or abrogation, may apply to the Court to have the variation or abrogation cancelled, and where any such application is made the variation or abrogation shall not have effect unless and until it is confirmed by the Court.

An application under the Section must be made within seven days after the consent was given or the Resolution was passed, as the case may be, and may be made on behalf of the Shareholders entitled to make the application by such one or more of their number as they may appoint in writing for the purpose.

On any such application the Court may disallow the variation or abrogation, or may confirm the same, and the decision of the Court is final.

A copy of the Order of Court must be filed within fifteen days after the making of the Order, the penalty for default being a fine not exceeding £5 for every day during which the default continues.

In order to comply with Section 26 of the new Act, it is necessary to file a printed copy of every Resolution or Agreement which has been agreed to by all the Members of some class of Shareholders but which, if not so agreed to, would not have been effective for its purpose unless passed by some particular majority or otherwise in some particular manner, and it is also necessary to file a printed copy of every Resolution or Agreement which effectively binds all the Members of any class of Shareholders though not agreed to by all those Members. The period prescribed for filing is fifteen days, and the penalty in the case of default is £2 for every day during which the default continues. A copy of every such Resolution or Agreement *for the time being in force* must be annexed to or embodied in every copy of the Articles subsequently issued; but if there are no Articles a printed copy of *every* such Resolution or Agreement must be supplied to any

Member requesting the same on payment of 1s. or such less sum as the Company may direct (the penalty for default being £1 for each copy in respect of which default is made).

Mortgages and Charges.

In addition to the Mortgages and Charges which are by Section 93 of the Act of 1908 required to be registered within twenty-one days after their creation, the following Mortgages and Charges are by Section 43 of the new Act required to be registered within the same period:—

(*a*) A Mortgage or Charge on calls made but not paid;
(*b*) A Mortgage or Charge on a ship or any share in a ship;
(*c*) A Mortgage or Charge on goodwill, on any patent or licence under a patent, on any trademark or on any copyright or licence under a copyright.

Where the Mortgage or Charge comprises property in Scotland or Northern Ireland, registration of a copy of the Mortgage or Charge may, under certain circumstances, be effected.

Section 43 of the new Act also makes provision for the registration of particulars of any Mortgage or Charge to which property acquired by an English Company is subject, provided that the mortgage or charge is of any such kind as would have required registration under the Act of 1908 if created by the Company. The registration should be effected within twenty-one days after the acquisition of the property; but if the property is situate and the Mortgage or Charge was created outside Great Britain the registration may be effected within twenty-one days after the date on which a copy of the instrument could in due course of post, and if despatched with due diligence, have been received in the United Kingdom.

In order to effect registration, it is necessary to deliver to the Registrar the prescribed particulars of the Mortgage or Charge with a certified copy of the instrument (if any) by which the Mortgage or Charge was created or is evidenced. The penalty for default is a fine of £50 for every day during which the default continues, but failure to effect registration does not prejudice any rights which any person in whose favour the mortgage or charge was made may have thereunder.

All the provisions of Section 93 of the Act of 1908 as amended by Section 43 of the new Act apply to Mortgages or Charges on property in England created, and Mortgages or Charges on property in England acquired, after the commencement of the new Act by a Company incorporated outside England which has an established place of business in England.

The new provisions as to registration of Mortgages and Charges, as set out above, do not apply to Mortgages or Charges created, or property acquired, before the commencement of the new Act, but every Company (including a Company incorporated outside England which has an established place of business in England) must within six months after the commencement of the new Act file with the Registrar the prescribed particulars of any Mortgage or Charge created by the Company before the date of the commencement of the said Act and remaining unsatisfied at that date, or of any Mortgage or Charge to which any property acquired by the Company before the commencement of the Act is subject, which would under the new provisions have been required to be registered if it had been created or the property had been acquired after the commencement of the Act. The penalty for default is a fine of £50 for every day during which the default continues, but failure to file the prescribed particulars does not prejudice any rights

of any person in whose favour the Mortgage or Charge was made.

Any floating Charge created within three months of the commencement of a winding up is, under Section 212 of the Act of 1908, invalid, except to the amount of any cash paid to the Company at or after the time when the Charge was created (with interest at five per cent. per annum), unless the Company was then solvent. The said period of three months is increased to six months by Section 43 of the new Act.

Name of Company.

Under the Acts of 1908 to 1917, the only restrictions on the name of a Company are those contained in Section 8 of the Act of 1908; but the practice of the Registrar has been to decline to allow a Company to be registered with a name including "King," "Queen," "Emperor," "Crown," "Royal," "Imperial," or any other word implying that the Company is in some way connected with the Government, unless the consent of the Home Secretary has been obtained. This practice is supported by Sub-section (1) of Section 1 of the new Act, which provides that a Company shall not, except with the consent of the Board of Trade, be registered by a name which contains the word "Royal" or "Imperial" or "Municipal" or "Chartered," or which in the opinion of the Registrar suggests, or is calculated to suggest, the patronage of His Majesty or of any member of the Royal Family or connection with His Majesty's Government or any department thereof or with any municipality or other local authority or Society or body incorporated by Royal Charter.

In its application to Northern Ireland, the said Sub-section is, under Section 117 of the new Act, to be read as if the words "one of His Majesty's Principal Secretaries of State" were substituted for "the Board of Trade" and as if the words "or municipal" and

the words "or with any municipality or other local authority" were omitted.

By Sub-sections (2) and (3) of Section 1 of the new Act it is provided that no Company shall be registered by a name which contains the word "Co-operative" except with the consent of the Board of Trade, and that no Company, other than an Association Not for Profit, may be registered by a name which contains the words "Chamber of Commerce."

If in the case of an Association Not for Profit which has been registered by a name containing the words "Chamber of Commerce" the licence is revoked by the Board of Trade, the Company is liable to penalties unless its name is within six weeks of the date of the revocation (or such longer period as the Board may think fit to allow) changed to a name which does not include the words "Chamber of Commerce."

The inclusion of the words "Building Society" in the name of a Company proposed to be registered under the Companies Acts is prohibited by Section 1 of the new Act.

The requirements of Section 63 of the Act of 1908 as to the publication of the name of a Limited Company are by the second Schedule to the new Act extended so as to apply to all Companies (whether Limited or Unlimited), and the Secretary and other officers of the Company are rendered liable to the penalty prescribed by Sub-section (2) of such Section. Further, the Company is rendered liable to a fine of £50 if it makes default in complying with the provisions of paragraph (*b*) or paragraph (*c*) of Sub-section (1) of such Section as to publication of name.

Offers for Sale of Shares or Debentures.

The statutory provisions as to Prospectuses are by Section 32 of the new Act applied to Offers for Sale to the public of Shares or Debentures which have been

allotted or agreed to be allotted with a view to their being so offered for sale. For the purposes of the Act, an allotment of, or an agreement to allot, Shares or Debentures, unless the contrary be proved, is to be deemed to have been made with a view to the Shares or Debentures being offered for sale to the public if it is shown—

(*a*) That an offer of the Shares or Debentures or of any of them for sale to the public was made within six months after the allotment or agreement to allot; or

(*b*) That at the date when the offer was made the whole consideration to be received by the Company in respect of the Shares or Debentures had not been so received.

A copy of an Offer for Sale to which Section 32 of the new Act applies must be signed by each of the persons making the offer or by his agent authorised in writing, and must be filed with the Registrar on or before the date of its publication. Further, the offer must not only state the particulars which would be required to be stated in a Prospectus issued by or on behalf of the Company but must state in addition—

(*a*) The net amount of the consideration received or to be received by the Company in respect of the Shares or Debentures to which the offer relates; and

(*b*) The place and time at which the Contract under which the said Shares or Debentures have been or are to be allotted may be inspected.

Where the offer is made by a Company or a Firm, the copy to be filed may be signed on behalf of the Company or Firm by two Directors of the Company or not less than half of the partners, as the case may be, and any such Director or partner may sign by his agent authorised in writing.

Payment of Interest out of Capital.

Under Section 91 of the Act of 1908 the rate of interest which may in pursuance of that Section be

paid out of capital on Shares issued for the purpose of raising money to defray the expenses of construction of any works or buildings or to provide plant which cannot be made profitable for a lengthy period is limited to four per cent. per annum, or such lower rate as may for the time being be prescribed by Order in Council. By the Second Schedule to the new Act the word "other" is substituted for the word "lower" in the said Section. The said Section is further amended so as to impose a penalty of £50 in the event of default being made in showing in the accounts of the Company the Share Capital on which, and the rate at which, interest has been paid out of capital during the period to which the Accounts relate.

Penalties.

Except where otherwise stated, all penalties prescribed by the new Act are recoverable against the Company and against every Director, Manager, Secretary, or other officer of the Company who knowingly and wilfully authorises or permits the default or contravention.

Preference Shares.

If so authorised by its Articles, a Company Limited by Shares may, subject to the provisions of Section 18 of the new Act, issue Preference Shares which are, or at the option of the Company are to be liable, to be redeemed. The power of redemption conferred by the said Section is subject to the following conditions :—

(*a*) No such Shares shall be redeemed except out of profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of Shares made for the purposes of the redemption;

(*b*) No such Shares shall be redeemed unless they are fully paid;

(*c*) Where any such Shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall out of profits which would otherwise have been available for dividend be transferred to a reserve fund (to be called "the Capital Redemption Reserve Fund") a sum equal to the amount applied in redeeming the Shares, and the provisions of the Act of 1908 relating to the reduction of the Share Capital of a Company shall (except as hereinafter mentioned) apply as if the said Fund were paid-up Share Capital of the Company;

(*d*) Where any such Shares are redeemed out of the proceeds of a fresh issue if a premium is payable on redemption such premium must have been provided for out of the profits of the Company before the Shares are redeemed.

In every Balance Sheet of a Company which has issued Redeemable Preference Shares there must be included a statement specifying what part of the issued Capital consists of such Shares and the date on or before which those Shares are, or are to be liable, to be redeemed. The penalty for default is a fine not exceeding £100.

Subject to the conditions set out above, the redemption of Preference Shares under the said Section may be effected on such terms and in such manner as may be provided by the Articles of the Company. Moreover, Shares may be issued up to the nominal amount of the Shares redeemed or about to be redeemed as if those Shares had never been issued, and Stamp Duty is not required to be paid in respect of the further Shares issued (unless the redemption takes place more than one month after the issue of the further Shares). The issue of the further Shares entitles the Company to apply the Capital Redemption Reserve Fund, up to an amount equal to the nominal amount of the Shares so issued, in paying up unissued Shares of the Company to be issued to Members of the Company as fully paid bonus Shares.

Notice of the redemption of any Redeemable Preference Shares must, under Section 14 of the new Act, be filed within one month after the redemption. The penalty for default is £5 for every day during which the default continues.

Private Companies.

The formalities in connection with the conversion of a Private Company into a Public Company are considerably simplified by Section 55 of the new Act, which replaces Sub-section (2) of Section 121 of the Act of 1908. The new Section provides that if a Private Company alters its Articles in such manner that they no longer include the provisions which, under Section 121 of the Act of 1908, are required to be included in the Articles of a Company in order to constitute it a Private Company for the purposes of that Act, the Company shall, as on the date of the alteration, cease to be a Private Company and shall, within a period of fourteen days after the said date, file with the Registrar of Companies a Prospectus or a Statement in the prescribed form. The penalty for default is a fine of £50 in respect of every day during which the default continues.

The form of Statement which must be filed by a Private Company on becoming a Public Company, if it does not file a Prospectus, is set out in Part II of the First Schedule to the new Act. Such Statement differs in the following respects from the form of Statement prescribed by the Act of 1908 :—

1. Particulars are required to be given of—
   (*a*) Any Redeemable Preference Shares and the date when they are, or are liable, to be redeemed;
   (*b*) Amount of Shares issued;
   (*c*) Amount of Commissions paid in connection therewith;
   (*d*) Amount of discount allowed on the issue of any Shares, or so much thereof as has not been written off at the date of the Statement;

(*e*) The right of voting at Meetings of the Company conferred by, and the rights in respect of capital and dividends attached to, the several classes (where the capital is divided into different classes of Shares);

(*f*) The rates of dividends paid by the Company in respect of each class of Shares in each of the three financial years immediately preceding the date of the Statement or since the incorporation of the Company, whichever period is the shorter, and particulars of the cases in which no dividends have been paid in respect of any class of Shares in any of those years;

(*g*) If any of the unissued Shares or Debentures are to be applied in the purchase of any business, the amount, as certified by the persons by whom the accounts of the business have been audited, of the net profits of the business in respect of each of the three financial years immediately preceding the date of the Statement, provided that in the case of a business which has been carried on for less than three years and the accounts of which have only been made up in respect of two years or one year the above requirement shall have effect as if references to two years or one year, as the case may be, were substituted for references to three years, and in any such case the Statement shall say how long the business to be acquired has been carried on.

2. Particulars are not required to be given of—

(*a*) Any Shares or Debentures issued as fully or partly paid up otherwise than for cash more than two years before the date of the Statement;

(*b*) The names and addresses of the Vendors of property purchased more than two years before the date of the Statement, or the interest of the Directors in such property.

3. If more than one year has elapsed since the date on which the Company was incorporated, no particulars are required to be given of—

(*a*) The amount of preliminary expenses;

(*b*) The amount paid to any Promoter and the consideration therefor.

It should be noted that on the conversion of a Private Company into a Public Company the Statement mentioned above is not required to be filed if a Prospectus is filed within the prescribed period. Further, a Declaration is no longer required, and the filing of Forms of Consent to Act as Director and Contract to take Qualification Shares (being the Forms referred to in Section 72 of the Act of 1908) is rendered unnecessary by Section 29 of the new Act.

Prospectus.

In the event of a Prospectus being issued in relation to an intended Company, the restrictions on the appointment or advertisement of proposed Directors are (by virtue of Section 29 of the new Act) the same as in the case of a Prospectus which is issued by or on behalf of a Company within one year after the date on which it is entitled to commence business. (See also DIRECTORS.)

The provisions of Section 81 of the Act of 1908 (as to the particulars to be stated in a Prospectus) are extended by Sections 33, 34, and 35 of the new Act. Section 33 provides that—

(1) If the Prospectus invites the public to subscribe for Shares in the Company and the Share Capital of the Company is divided into different classes of Shares, the right of voting at Meetings of the Company conferred by, and the rights in respect of Capital and Dividends attached to, the several classes of Shares respectively must be stated therein;

(2) A report by the Auditors of the Company with respect to the profits of the Company in respect of each of the three financial years immediately preceding the issue of the Prospectus, and the rates of the Dividends (if any) paid by the Company in respect of each class of Shares in the Company in respect of each of the said three years, together with particulars of each such class of Shares on which

such Dividends have been paid, and particulars of the cases in which no Dividends have been paid in respect of any class of Shares in respect of any of those years, must be stated, and if no accounts have been made up in respect of any part of the period of three years ending on a date three months before the issue of the Prospectus, a statement of that fact, must be included in the Prospectus;

(3) If the proceeds, or any part of the proceeds, of the issue of the Shares or Debentures are or is to be applied directly or indirectly in the purchase of any business, the contents of a report made by Accountants who must be named in the Prospectus upon the profits of the business in respect of each of the three financial years immediately preceding the issue of the Prospectus must be stated therein.

In the case of a Company which has been carrying on business, or of a business which has been carried on, for less than three years the Prospectus must state how long the business of the Company, or the business to be acquired, as the case may be, has been carried on, and where the accounts of any such Company or business have only been made up in respect of two years or one year, the provisions contained in paragraphs (2) and (3) above are to have effect as if references to two years or one year, as the case may be, were substituted for references to three years.

The expression " financial year " used in paragraphs (2) and (3) above means the year in respect of which the accounts of the Company or of the business, as the case may be, are made up, and where by reason of any alteration of the date on which the financial year of the Company or business terminates the accounts have been made up for a period greater or less than a year that greater or less period is for the purpose of the said paragraphs to be deemed to be a financial year.

Section 33 of the new Act prohibits the issue of a Form of Application for Shares or Debentures except with a Prospectus which complies with the

statutory requirements, but the prohibition does not apply to a Form of Application issued either—

(*a*) In connection with a bona fide invitation to a person to enter into an underwriting agreement with respect to the Shares or Debentures; or
(*b*) In relation to the Shares in or Debentures of a Company where there is no offer to the public.

Any person who acts in contravention of this prohibition is liable, without prejudice to any other liability, to a fine not exceeding £500. The prohibition is, of course, designed to prohibit the publication of an "abridged prospectus" with a Form of Application annexed.

The provisions of Section 81 of the Act of 1908, as amended by the new Act, do not apply to the issue to existing Members or Debenture Holders of a Prospectus or Form of Application relating to Shares in or Debentures of the Company, whether or not the applicant is given the right to renounce in favour of other persons, but, subject as aforesaid, such provisions apply to a Prospectus or Form of Application whether issued on or with reference to the formation of a Company or subsequently.

The words "two years" are by Section 34 of the new Act substituted for the words "one year" in Subsection (8) of Section 81 of the Act of 1908 (which Subsection provides that in the case of a Prospectus issued more than one year after the Company is entitled to commence business, the requirements of Section 81 of the Act of 1908 as to the Memorandum, and the qualification, remuneration and interest of Directors, the names, addresses and descriptions of Directors or proposed Directors, and the amount or estimated amount of preliminary expenses shall not apply).

The requirement as to Minimum Subscription contained in Section 81, Sub-section (1) (*d*), of the Act of

1908 is replaced by Section 35 of the new Act. (See MINIMUM SUBSCRIPTION.)

No liability for non-compliance with or contravention of the statutory provisions with regard to Prospectuses is incurred if the non-compliance or contravention is in respect of matters which, in the opinion of the Court dealing with the case, were immaterial or ought reasonably to be excused.

Proxies for Corporations.

Only a Company within the meaning of the Act of 1908, and not a foreign Company or Corporation, was entitled to exercise the powers conferred by Section 68 of the Act of 1908 (which relates to the representation of Companies at Meetings of other Companies of which they are members) and the Section did not apply to any Meetings other than General Meetings. The Section is, however, now replaced by Section 24 of the new Act, under which a Corporation, whether a Company within the meaning of the Act of 1908 or not, may, if it is a member of another Corporation, being a Company within the meaning of such Act, by resolution of its Directors or other governing body authorise such person as it thinks fit to act as its representative at any Meeting of the Company or at any Meeting of any class of Members of the Company. Further, such a Corporation may, if it is a Creditor (including a Holder of Debentures) of another Corporation, being a Company within the meaning of the Act of 1908, by resolution of its Directors or other governing body authorise such person as it thinks fit to act as its representative at any Meeting of any Creditors of the Company held in pursuance of the Act of 1908 or of any Rules made thereunder, or in pursuance of the provisions contained in any Debenture or Trust Deed, as the case may be.

A person authorised as aforesaid is entitled to

exercise the same powers on behalf of the Corporation which he represents as that Corporation could exercise if it were an individual Shareholder, Creditor, or Holder of Debentures of that other Company.

Receiver or Manager.

The provisions of Section 95 of the Act of 1908 as to the filing of Abstracts of receipts and payments by a Receiver or Manager appointed under the powers contained in any instrument are replaced by Section 44 of the new Act, under which the Abstracts must be filed whether or not the Receiver or Manager takes possession of the property of the Company. The Abstracts are to be filed within one month (or such longer period as the Registrar may allow) after the expiration of the period of six months from the date of appointment and of every subsequent period of six months and within one month after ceasing to act. Each Abstract must show the receipts and payments during the preceding six months or, in the case of the final Abstract, the period from the end of the period to which the last preceding Abstract related. The final Abstract must also show the aggregate amount of receipts and payments since the date of appointment and must be accompanied by a Notice of ceasing to act.

A Receiver or Manager who makes default in complying with the foregoing requirements is liable to a fine not exceeding £5 for every day during which the default continues.

Under Section 45 of the new Act, a Receiver or Manager (not appointed by the Court) who has, after being required by the Liquidator so to do, failed to render proper accounts of receipts and payments and to pay to the Liquidator the amount properly payable to him may be ordered by the Court to make good the default. Further, on an application by the Liquidator, the Court may by Order fix the remuneration of the

Receiver or Manager and, on an application either by the Liquidator or by the Receiver or Manager, the Court may from time to time vary or amend any Order so made.

Section 85 of the new Act prohibits the appointment, after the passing of the Act, of a body corporate (but not including a firm in Scotland) as Receiver of the property of any Company.

Where a Receiver or Manager of the property of a Company has been appointed, every invoice, order for goods or business letter issued by or on behalf of the Company, or the Receiver or Manager, being a document on or in which the name of the Company appears, must contain a statement that a Receiver or Manager has been appointed (Section 87 of the new Act).

Reduction of Capital.

Section 40 of the Act of 1908 (which authorised the return of accumulated profits in reduction of paid-up Share Capital) is repealed by Sub-section (3) of Section 19 of and the Third Schedule to the new Act. The repealed Section is to some extent replaced by Section 18 of the new Act, which makes provision for the issue of Preference Shares which are, or at the option of the Company are to be liable, to be redeemed out of profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of Shares made for the purposes of the redemption. (See PREFERENCE SHARES.)

Under Section 48 of the Act of 1908 a reduction of Capital requiring confirmation by the Court involves the addition of the words " and reduced " to the name of the Company from the confirmation of the Special Resolution in favour of the reduction until such date as the Court might fix (except where the reduction does not involve either the diminution of any liability in respect of unpaid Share Capital or the payment to any

Shareholder of any paid-up Share Capital, in which case the words "and reduced" are not required to be added until the presentation of the Petition, when the Court might order the addition of the words to particular documents only or might dispense with the words altogether). The said Section is now replaced by Section 19 of the new Act, under which the addition of the words "and reduced" need only be made when the Court, on the making of an Order confirming a reduction of Share Capital, is of opinion that the said words should be added to the name of the Company and directs the addition to be made for such period (commencing on or at any time after the date of the Order) as is specified in the Order.

The right to object to a reduction of Capital which is conferred by Section 49 of the Act of 1908 upon Creditors of the Company where the reduction involves either the diminution of liability in respect of unpaid Share Capital or the payment to any shareholder of any paid-up Share Capital, is restricted by Sub-section (2) of Section 19 of the new Act, which authorises the Court in such cases to direct, if it thinks proper so to do, that Section 49 of the Act of 1908 shall not, as regards any class or any classes of Creditors, apply, and, where the Court so directs, the consent of the Creditors of that class or those classes to the reduction is not required.

The liability to the penalty imposed by Section 52 of the Act of 1908 for failing to embody a Minute recording a reduction of Capital in every copy of the Memorandum issued after the registration of the Minute is extended by the Second Schedule to the new Act so as to be enforceable against the Secretary or other officer as well as against the Company and every Director and Manager who knowingly and wilfully authorises or permits the default.

The liability in respect of an offence under Section 54

of the Act of 1908 is also extended by the Second Schedule to the new Act, and the Secretary, as well as any Director, Manager, or other officer is now liable thereunder.

Register of Directors.

The requirements of Section 75 of the Act of 1908 as to keeping at the Registered Office a Register of Directors were enlarged and extended by The Companies (Particulars as to Directors) Act, 1917.

By the new Act, Section 75 of the Act of 1908 and Section 1 and Sub-section (1) of Section 2 of the Act of 1917 are repealed, but the provisions thereof are (with slight modifications) repeated in Section 31 of the new Act. The Section gives statutory support to the present practice of recording in the Register of Directors particulars of only one other Directorship held by a Director who has no business occupation other than that of Director of Companies (the former practice having been to record the name of every Company).

The Form of Particulars respecting Directors is now required to be filed within fourteen days from the appointment of the first Directors (instead of within one month from the date of incorporation) and a copy of the Register of Directors must be filed within fourteen days from the date of any change occurring in the filed particulars.

Under Section 31 of the new Act, the Register of Directors may be inspected by any Member without charge and by any other person on payment of 1s. or such less sum as the Company may prescribe.

If any inspection is refused or if default is made in compliance with the provisions of the said Section, a fine not exceeding £5 for every day during which the refusal or default continues may be imposed, and the Court may by Order compel an immediate inspection of the Register.

For the purposes of the said Section the expression "Director" includes any person in accordance with whose directions or instructions the Directors of the Company are accustomed to act. When read in conjunction with Section 285 of the Act of 1908 this definition is the same as that contained in Section 3 of The Companies (Particulars as to Directors) Act, 1917.

Register of Members.

Unless the Register of Members is in such a form as to constitute in itself an Index, every Company having more than fifty Members must, under Section 5 of the new Act, keep an Index of the names of its Members. Any necessary alteration in the Index must be made within fourteen days after the date on which any alteration is made in the Register of Members. The Index (which may be in the form of a Card Index) must contain a sufficient indication to enable the account of each Member in the Register to be readily found. The provisions of Section 30, Sub-section (1), of the Act of 1908 (as to the inspection of the Register of Members) are to have effect as if the Index were a part of the Register. The penalty for failing to comply with these requirements, or with the requirements of Section 25 of the Act of 1908, as to keeping a Register of Members, is £5 for every day during which the default continues. (See Section 5 of and the Second Schedule to the new Act.)

Sub-section (2) of Section 30 of the Act of 1908 (as to furnishing copies of the Register of Members or any part thereof or of the Annual List and Summary or any part thereof) does not specify any period within which copies are to be supplied. This defect is remedied by Section 9 of the new Act, which provides that any such copy shall be supplied within a period of ten days, commencing on the day next after the day on which the requirement is received by the Company.

Liability to the penalty prescribed by Sub-section (3) of Section 30 of the Act of 1908 is extended by Section 9 of the new Act so as to be enforceable against the Secretary or other officer of the Company, as well as against the Company and every Director and Manager who knowingly and wilfully authorises or permits the refusal or default.

Sub-section (2) of Section 32 of the Act of 1908 is repealed by the Second Schedule to the new Act and is replaced by a provision to the effect that the Court may either refuse an application for rectification of the Register of Members or may order rectification on payment by the Company of any damages sustained by any party aggrieved.

Register of Mortgages.

The Register of Mortgages to be kept pursuant to Section 100 of the Act of 1908, as amended by the Second Schedule to the new Act, must contain particulars not only of all Mortgages and Charges specifically affecting property of the Company, but also particulars of all floating Charges on the undertaking or any property of the Company, and the Register must be kept at the Registered Office.

Registered Office.

The requirements of Section 62 of the Act of 1908 (relating to the Registered Office of a Company) are extended by Section 20 of the new Act, in pursuance of which Section it is necessary to file a Notice of the situation of the Registered Office within twenty-eight days after the date of incorporation, and to file a Notice of any change in the situation of the Registered Office within twenty-eight days after the date of the change.

The penalty for default is a fine not exceeding £5 for every day during which the default continues, and

it should be noted that the penalty is no longer confined to cases where the Company is carrying on business.

Reorganisation of Capital.

Section 45 of the Act of 1908 is repealed by Section 53 of and the Third Schedule to the new Act, and by the new Section the operation of Section 120 of the Act of 1908 is extended so as to apply to a reorganisation of the Share Capital of a Company by the consolidation of Shares of different classes or by the division of its Shares into Shares of different classes or by both those methods.

An Order made by the Court under Sub-section (2) of Section 120 of the Act of 1908 is to have no effect until an office copy of the Order has been filed with the Registrar and a copy of every such Order must be annexed to every copy of the Memorandum of the Company issued after the Order has been made, or, in the case of a Company not having a Memorandum, of every copy so issued of the instrument constituting or defining the constitution of the Company. The penalty for default is a fine not exceeding £1 for each copy in respect of which default is made.

In Sub-section (2) of Section 120 the words "and voting" are to be inserted after the word "present."

The application of the said Section to certain cases of Amalgamation and Reconstruction is dealt with under the Heading of "Amalgamation and Reconstruction."

Returns.

Although failure to file Returns involves liability to penalties, such penalties are rarely enforced, and it has been thought advisable to make other provisions to compel the filing of Returns. These provisions are contained in Section 52 of the new Act. This

Section provides that if any Company or any Receiver of the property of a Company or the Liquidator of any Company on whom a notice has been served requiring the Company, the Receiver, or the Liquidator, as the case may be, to make good any default within the meaning of such Section fails to make good the default within fourteen days after the service of the notice, the Court may, on an application made to the Court by any Member or creditor of the Company, or by the Registrar, make an Order directing the Company and any officer of the Company or the Receiver or the Liquidator, as the case may be, to make good the default within such time as may be specified in the Order, and any such Order may provide that all costs of and incidental to the application shall be borne by the Company or by any officers of the Company responsible for the default, or by the Receiver or the Liquidator, as the case may be.

It should be noted that the provisions of the new Section do not prejudice the operation of any enactments imposing penalties on a Company or its officers or on Receivers or Liquidators in respect of any default.

The expression "default" used in the new Section means, in the case of a Company, failure to comply with any provision of the Act of 1908 which requires a Company to file with or send to the Registrar any Return, Account, or other document, or to give notice to him of any matter, and, in the case of a Receiver or Liquidator, failure to file, deliver, or make any Return, Account, or other document, or to give any notice which he is by law required to file, deliver, make, or give.

The requirement as to service of notice on the Company, the Receiver, or the Liquidator, is designed to prevent attempts to harass the Company by unnecessary applications to the Court.

Service of Process.

Where a Company registered in Scotland carries on business in England the process of any English Court may be served on the Company by leaving it at or sending it by post to the principal place of business of the Company in England, addressed to the Manager or other head officer in England of the Company (Section 49 of the new Act). Where process is so served on a Company the person issuing out the process must send a copy thereof by post to the Registered Office of the Company.

Share Hawking.

Section 92 of the new Act, which is designed to prevent the "hawking" of Shares, provides that it shall not be lawful for any person to go from house to house offering Shares for subscription or purchase to the public or any member of the public. Subject as therein provided, the Section also imposes restrictions on the making of an offer in writing to any member of the public of any share for purchase unless the offer is accompanied by a signed statement in writing giving certain particulars as to the person making the offer and the Company by which the Shares were or are to be issued. The expression "Shares" used in the said Section includes Debentures and "units" (that is to say, any right or interest in a Share) and the Section not only imposes penalties for breach of the provisions thereof, but also empowers the Court to set aside contracts and order restitution. This Section, it should be noted, is the only Section which came into operation on the passing of the Act, the 3rd August, 1928.

Shares.

A Company is by Section 16 of the new Act prohibited from giving, whether directly or indirectly, and whether by means of a loan, guarantee, the provision

of security, or otherwise, any financial assistance for the purpose of or in connection with a purchase made or to be made by any person of any Shares in the Company.

The prohibition in the said Section does not apply to—

(*a*) Loans of money in the ordinary course of its business by a Company whose ordinary business includes the lending of money; or

(*b*) Provision by a Company, in accordance with any scheme for the time being in force, of money for the purchase by Trustees of fully paid Shares in the Company to be held by or for the benefit of employees of the Company, including any Director holding a salaried employment or office in the Company; or

(*c*) Loans by a Company to persons (other than Directors) bona fide in the employment of the Company with a view to enabling those persons to purchase fully paid Shares in the Company to be held by themselves by way of beneficial ownership.

The aggregate amount of any outstanding loans made under the power given by paragraphs (*b*) and (*c*) above must be shown as a separate item in the Balance Sheet.

Contravention of the provisions of the Section involves liability to a fine not exceeding £100.

Special Resolutions.

The definition of a Special Resolution, as contained in Section 69 of the Act of 1908, is materially altered by Section 25 of the new Act, and the necessity for confirmation at a second Meeting is abolished. As now defined, a Special Resolution is a Resolution which has been passed by a majority of not less than three-fourths of such Members as, being entitled so to do, vote in person or by proxy (where proxies are allowed) at any General Meeting of which not less than twenty-one days' notice, specifying the intention to propose the Resolution as a Special Resolution, has been duly given. A shorter notice than twenty-one days may, however,

be given if all the Members entitled to attend and vote at the Meeting so agree.

The power to demand a poll at any Meeting at which a Special (or Extraordinary) Resolution is submitted for passing is, under Section 25 of the new Act, exercisable (*a*) by such number of Members for the time being entitled under the Articles to vote at the meeting as may be specified in the Articles, so, however, that it shall not be necessary in any case for more than five Members to make the demand; or (*b*) if no provision is made by the Articles with respect to the right to demand a poll, by three Members so entitled, or by one Member or two Members so entitled if that Member holds or those two Members together hold not less than fifteen per cent. of the paid-up Share Capital of the Company.

A printed copy of every Special Resolution must, within fifteen days after the passing thereof, be filed with the Registrar and be recorded by him. It is now necessary also to file a printed copy of every Resolution which has been agreed to by all the Members but which, if not so agreed to, would not have been effective unless passed as a Special (or Extraordinary) Resolution (Section 26 of the new Act).

The liability in respect of default is extended and the penalty made enforceable against the Secretary or other officer and every Liquidator as well as against the Company and every Director and Manager who knowingly and wilfully authorises or permits the default.

Statement in Lieu of Prospectus.

A Statement in Lieu of Prospectus is no longer required to be filed by a Company which has not a Share Capital, but must be filed by every Public Company having a Share Capital which does not issue a Prospectus on or with reference to its formation or, having issued a Prospectus, does not proceed to allot any of the

Shares offered to the Public for subscription (Section 36 of the new Act). The filing must be effected at least three days before the first allotment of any Shares or Debentures.

The above-mentioned Section of the new Act replaces Section 82 of the Act of 1908, which last-mentioned Section is repealed by the Third Schedule to the new Act.

Contravention of the provisions of Section 36 of the new Act renders the Company and every Director who knowingly authorises or permits the contravention liable to a fine not exceeding £100, and the Directors are also liable to pay the compensation provided for in Section 86 of the Act of 1908. Further, an allotment of Shares in contravention of the provisions of Section 36 of the new Act is, under Sub-section (4) of such Section voidable at the instance of the applicant within the period prescribed by Section 86 of the Act of 1908 as amended by the Second Schedule to the new Act, but not later, and is so voidable notwithstanding that the Company is in course of being wound up. This provision nullifies the decision in the case of Jubilee Cotton Mills ([1923] 1 Ch. 1), in which it was held that an allotment of Shares prior to the filing of a Statement in Lieu of Prospectus was void.

A more satisfactory form of Statement in lieu of Prospectus is contained in Part I of the First Schedule to the new Act, which said Schedule replaces the Second Schedule to the Act of 1908. The particulars not hitherto required to be stated are as to Redeemable Preference Shares, the rights conferred by respective classes of Shares, and the net profits of any business proposed to be acquired. The particulars which are no longer required to be stated are as to the Minimum Subscription, and the provisions of the Articles as to receipt and inspection of Balance Sheets and Auditors' reports.

Statutory Meeting.

The provisions of Section 65 of the Act of 1908 (as to the holding of the Statutory Meeting) are by Section 21 of the new Act extended so as to apply to Companies Limited by Guarantee and Having a Share Capital as well as to Companies Limited by Shares ; but a Private Company no longer comes within the first-mentioned Section.

Hitherto a Private Company was not required to comply with the provisions as to forwarding a Statutory Report to its Members and Debenture Holders or the filing of a copy of the Report with the Registrar, but such a Company had to hold a Statutory Meeting. In the circumstances, the holding of the Statutory Meeting by a Private Company rarely served any useful purpose and the exemption conferred by Section 21 of the new Act will no doubt be appreciated.

The particulars required by Section 65 of the Act of 1908 to be included in the Statutory Report include an abstract of the receipts of the Company on account of its capital, whether from Shares or Debentures, and of the payments made thereout. The words " on account of its capital, whether from Shares or Debentures " are, however, deleted by the Second Schedule to the new Act.

In the event of any default in complying with the provisions of Section 65 of the Act of 1908, every Director of the Company who is guilty of or who knowingly and wilfully authorises or permits the default is by Section 21 of the new Act rendered liable to a fine of £50.

Section 83 of the Act of 1908 provides that a Company shall not previously to the Statutory Meeting vary the terms of a contract referred to in the Prospectus or Statement in Lieu of Prospectus except subject to the approval of the Statutory Meeting. The said Section is amended by the Second Schedule to the

new Act, whereby it is provided that the expression "Company" in such Section means a Company Limited by Shares or a Company Limited by Guarantee and Having a Share Capital, but does not include a Private Company.

Subdivision of Shares.

The power conferred upon a Company by Section 41 of the Act of 1908 to subdivide its Shares into Shares of smaller amount than is fixed by the Memorandum, may, under Section 13 of the new Act, be exercised by the Company in General Meeting (instead of being exercised by Special Resolution).

Every copy of the Memorandum issued after such subdivision must be in accordance with the alteration. (See Section 4 of the new Act, which replaces Sub-section (3) of Section 41 of the Act of 1908, the said Sub-section being repealed by Section 12 of and the Third Schedule to the new Act.)

Transfer and Transmission of Shares and Debentures.

The practice, which has grown rapidly in recent years, of allowing transfers of Shares and Debentures to be effected without instruments in writing (with the consequent saving in stamp duty) is checked by Section 8 of the new Act. This Section prohibits the registration of a transfer of any Shares or Debentures (notwithstanding anything in the Articles of the Company) unless a proper instrument of transfer has been delivered to the Company; but the Section does not prejudice any power of the Company to register as Shareholder or Debenture Holder any person to whom the right to any Shares in or Debentures of the Company has been transmitted by operation of law.

The Section also provides that production to a Company of any document which is by law sufficient

evidence of Probate of the Will, or Letters of Administration of the estate, of a deceased person having been granted to some person shall be accepted by the Company, notwithstanding anything in its Articles, as sufficient evidence of the Grant. This provision will overcome the objections which are occasionally raised when an official copy of a Grant of Probate or Letters of Administration is lodged with a Company for registration and will assist in expediting the administration of the estate of a person holding Shares in or Debentures of a number of different Companies.

Unlimited Companies.

As the word " Limited " in Section 63 of the Act of 1908 is repealed by the Third Schedule to the new Act, it will be necessary for an Unlimited Company to comply with the same requirements as a Limited Company as to exhibiting its name outside every office or place in which its business is carried on, as to having its name engraven on its seal, and as to publishing its name in all notices, advertisements, and other official publications of the Company and in all bills of exchange, promissory notes, endorsements, cheques and orders for money or goods purporting to be signed by or on behalf of the Company and in all bills of parcels, invoices, receipts, and letters of credit of the Company.

Winding Up.

With the leave of the Court, and subject to the provisions of Section 68 of the new Act, the Liquidator in any winding up may disclaim onerous property.

In a winding up the debts having priority by virtue of Section 209 of the Act of 1908 are, under the Second Schedule to the new Act, to include moneys advanced by a person for the purpose of enabling the Company to make payments on account of wages or salaries to any clerk, servant, workman or labourer in

the employment of the Company, the right of priority being limited to the amount by which the sum in respect of which such clerk, servant, workman or labourer would have been entitled to priority in the winding up has been diminished by reason of the payment having been made. Section 209 of the Act of 1908 is further amended by the Second Schedule to the new Act so as to give priority in a winding up to amounts due in respect of any compensation or liability for compensation under The Workmen's Compensation Act, 1925, but the new provision does not apply where the Company is being wound up merely for the purposes of reconstruction or amalgamation.

Section 210 of the Act of 1908 (as to fraudulent preferences) is also amended by the Second Schedule to the new Act, under which it is provided that for the purposes of the said Section the commencement of the winding up shall be deemed to correspond with the presentation of the bankruptcy petition in the case of an individual.

Sections 69 and 70 of the new Act contain certain restrictions on the rights of Creditors who have issued execution against the goods or lands of a Company or have attached any debts due to the Company.

All property of a dissolved Company (except property held by the Company on trust for any other person) is under Section 71 of the new Act deemed to be *bona vacantia*, but the provisions of such Section are to be without prejudice to any Order of Court made under Section 223 or Section 242, Sub-section (6), of the Act of 1908.

Sections 72, 73, 74, 75, 76 and 77 of the new Act make provision for the punishment of officers of Companies in liquidation where such officers have committed certain frauds and other offences, or have failed to keep proper books of account, or have been

guilty of fraudulent trading. It may be noted in particular that where in the course of a winding up it appears that the Company has been carried on with intent to defraud creditors or for any fraudulent purpose, the Court may declare that any of the Directors (past or present) shall be personally responsible, without any limitation of liability, for the debts and liabilities of the Company and may order that any person in respect of whom such a declaration has been made shall not, without leave of the Court, take any part in the management of a Company for a period not exceeding five years. Section 217 of the Act of 1908, which is replaced by the new Sections, is repealed by the Third Schedule to the new Act.

A body corporate (not being a firm in Scotland) is by Section 85 of the new Act precluded from acting as Liquidator under an appointment made after the passing of such Act.

Section 87 of the new Act provides that where a Company is being wound up, whether by the Court or voluntarily, every invoice, order for goods or business letter issued by or on behalf of the Company or the Liquidator thereof, being a document on or in which the name of the Company appears, must contain a statement that the Company is in liquidation.

Winding Up by the Court.

The effect of the amendment of Section 131 of the Act of 1908 by Section 56 of the new Act is to give to the High Court concurrent jurisdiction with the local County Court to wind up a Company with a paid-up Capital not exceeding £10,000, and concurrent jurisdiction with the Court exercising the Stannaries jurisdiction to wind up a Company formed for working mines within the Stannaries. Sub-sections (1), (2), (3), (4) and (8) of Section 131 of the Act of 1908 are repealed by the Third Schedule to the new Act.

Under Section 139 of the Act of 1908 a winding up of a Company by the Court is deemed to commence at the time of the presentation of the Petition for the winding up. This Section is amended by Section 57 of the new Act, which provides that where before the presentation of a Petition for the winding up of a Company by the Court a resolution has been passed authorising the voluntary winding up of the Company, the winding up of the Company shall be deemed to have commenced at the time of the passing of the resolution, and unless the Court, on proof of fraud or mistake, thinks fit otherwise to direct, all proceedings taken in the voluntary winding up shall be deemed to have been validly taken.

Section 198 of the Act of 1908, being replaced by Section 57 of the new Act, is repealed by the Third Schedule thereto.

By Section 58 of the new Act the Liquidator or the Official Receiver is given the same right as a Creditor or Contributory to apply to the Court (under Section 144 of the Act of 1908) for a stay of the winding-up proceedings. The same Section of the new Act provides that on any application for a stay of the winding-up proceedings the Court may, before making an Order, require the Official Receiver to furnish to the Court a report with respect to any facts or matters which are in his opinion relevant to the application.

With a view to securing the more convenient and economical conduct of the winding up, the Court is empowered by Section 59 of the new Act, which amends Section 146 of the Act of 1908, to appoint any officer to act as Official Receiver in the winding up.

By virtue of Section 60 of the new Act, Section 147 of the Act of 1908 (as to the submission to the Official Receiver of a statement of affairs) is to apply where a Provisional Liquidator has been appointed in like manner as it applies where a winding-up Order

has been made, and the Court is empowered to dispense with the requirements of the said Section of the Act of 1908 where it considers such a course desirable. Subsection (2) of the last-mentioned Section is extended so as to have effect as if there were included among the persons who may be required to submit or verify the statement, any person who is, or within one year before the winding-up Order or the Order appointing the Provisional Liquidator, as the case may be, was, in the employment of the Company and is in the opinion of the Official Receiver capable of giving the information required, and any person who is, or within the said year was, an Officer of or in the employment of a Company which is, or within the said year was, an Officer of the Company to which the statement relates.

Section 61 of the new Act provides that where a Company is being wound up by the Court, the Court may, on the application of the Liquidator, by Order direct that all or any part of the property whatsoever belonging to the Company or held by Trustees on its behalf shall vest in the Liquidator by his official name, and thereupon the property to which the Order relates shall vest accordingly, and the Liquidator may, after giving such indemnity (if any) as the Court may direct, bring or defend in his official name any action or other legal proceeding which relates to that property or which it is necessary to bring or defend for the purpose of effectually winding up the Company and recovering its property.

The list of contributories which is required to be settled pursuant to Section 163 of the Act of 1908 may be dispensed with where it appears to the Court that it will not be necessary to make calls on or adjust the rights of contributories (see the Second Schedule to the new Act).

The persons who may, under Section 174 of the Act of 1908, be summoned before the Court are, under

Section 62 of the new Act, to include any persons whom the Court deems capable of giving information concerning the promotion or formation of the Company.

Where a person makes an application to the Court under Section 175 of the Act of 1908 for the purpose of having it declared that he is exculpated from any charges against him, the Official Receiver must (in order to comply with Section 63 of the new Act) appear on the hearing of the application and call the attention of the Court to any matters which appear to him to be relevant. The Official Receiver may himself give evidence or call witnesses. The words " as to the conduct of the examination, but not as to costs " in Sub-section (9) of Section 175 of the Act of 1908 are repealed by Section 63, Sub-section (3) of and the Third Schedule to the new Act.

Winding Up Voluntarily.

In most cases a voluntary winding up is commenced by Extraordinary or Special Resolution, but under Section 182, Sub-section (1), of the Act of 1908 an Ordinary Resolution is sufficient on the expiration of the period (if any) fixed for the duration of the Company by its Articles, or when the event (if any) occurs on the occurrence of which the Articles provide that the Company is to be dissolved. The statutory provisions as to the filing of a printed copy of an Extraordinary or Special Resolution, and as to forwarding a copy thereof to any member at his request are, by virtue of Section 26 of the new Act, made applicable to an Ordinary Resolution requiring a Company to be wound up voluntarily.

Further, such an Ordinary Resolution, as well as every Special and Extraordinary Resolution to wind up voluntarily, must be advertised in the Gazette within seven days after the passing of the Resolution (see Section 185 of the Act of 1908 as amended by Section 64

of the new Act). The penalty for default is £5 in respect of every day during which the default continues.

The failure of a Liquidator to comply with the provisions of Section 194 of the Act of 1908 as to calling General Meetings and submitting accounts of his acts and dealings will now render him liable to a fine not exceeding £10 (see Second Schedule to the new Act).

The Return of Final Meeting required to be filed pursuant to Section 195 of the Act of 1908 must, under Section 66 of the new Act, be accompanied by a copy of the Liquidator's account of the winding up. Default in complying with the Section renders the Liquidator liable to a fine of £5 for every day during which the default continues.

Where a quorum is not present at the Final Meeting, the Return referred to above is to be replaced by a Return showing that the Meeting was duly summoned and that no quorum was present thereat.

Section 67 of the new Act is designed to give creditors more effective control in voluntary liquidations where the Company is, or is expected to be, unable to pay its debts in full. The Section does not apply if, at a Meeting of the Directors held before the date on which the notices of the Meeting at which the resolution for the winding up of the Company is to be proposed are sent out, the Directors, or, in the case of a Company having more than two Directors, the majority of the Directors of the Company, have made a Statutory Declaration (and filed the same with the Registrar) to the effect that they have made a full inquiry into the affairs of the Company, and that having so done they have formed the opinion that the Company will be able to pay its debts in full within a period not exceeding twelve months from the commencement of the liquidation.

Where Section 67 of the new Act applies the following provisions have effect :—

(1) The Company must cause a Meeting of its Creditors to be summoned for the day, or the day next following the day, on which there is to be held the Meeting at which the Resolution for winding up is to be proposed, and must cause the notices of the said Meeting of Creditors to be sent by post to the Creditors simultaneously with the sending of the notices of the said Meeting of the Company.

(2) The Company must cause Notice of the Meeting of the Creditors to be advertised once in the Gazette and once at least in two local newspapers circulating in the district where the registered office or principal place of business of the Company is situate.

(3) The Directors of the Company must—

(*a*) cause a full statement of the position of the Company's affairs, together with a list of the Creditors of the Company and the estimated amount of their claims, to be laid before such Meeting of Creditors; and

(*b*) appoint one of their number to preside at the said Meeting, and the Director so appointed must attend the Meeting and preside thereat.

(4) The Creditors and the Company at their respective Meetings may nominate a Liquidator, and if the Creditors and the Company nominate different persons, the person nominated by the Creditors shall be Liquidator, and if no person is nominated by the Creditors the person, if any, nominated by the Company shall be Liquidator. Provided that in the case of different persons being nominated any Director, Member or Creditor of the Company may, within seven days after the date on which the nomination was made by the Creditors, apply to the Court for an Order either directing that the person nominated as Liquidator by the Company shall be Liquidator instead of or jointly with the person nominated by the Creditors, or appointing some other person to be Liquidator instead of the person appointed by the Creditors.

(5) The Creditors at the Meeting to be held as aforesaid, or at any subsequent Meeting, may, if they think fit,

appoint a Committee of Inspection consisting of not more than five persons, and if such a Committee is appointed the Company may, either at the Meeting at which the Resolution for winding up is passed or at any subsequent General Meeting, appoint such number of persons as they think fit to act as Members of the Committee, not exceeding five in number. Provided that if the Creditors resolve that all or any of the persons so appointed by the Company ought not to be Members of the Committee of Inspection, such persons shall not, unless the Court otherwise directs, be qualified to act as Members of the Committee, and on any application to the Court under this provision the Court may appoint other persons to act as such Members.

(6) Subject to the aforesaid provisions and to general rules, the provisions of Section 160 of the Act of 1908 (except Sub-sections (1) and (9)) are to apply with respect to a Committee of Inspection appointed as aforesaid.

(7) If the Meeting of the Company at which the resolution for winding up is to be proposed is adjourned and the resolution is passed at an adjourned Meeting, any resolution passed at the Meeting of the Creditors held as aforesaid is to have effect as if it had been passed immediately after the passing of the Resolution for winding up.

(8) Paragraph (ii) of Section 186 of the Act of 1908 so far as it gives power to appoint Liquidators is not to apply, and the power under the said paragraph of fixing the remuneration of Liquidators, and the power under paragraph (iii) of that Section of sanctioning the continuance of the powers of the Directors of the Company, are to be exercisable by the Committee of Inspection or, if there is no such Committee, by the Creditors instead of by the Company in General Meeting.

(9) A vacancy occurring in the office of Liquidator is to be filled by the Creditors instead of in manner provided by Section 189 of the Act of 1908.

(10) The powers of the Liquidator under Sections 192 and 214 of the Act of 1908 (which relate respectively to the power of the Liquidator of a Company to accept Shares as consideration for the sale of the property

of the Company and to general schemes of liquidation) are not to be exercised except with the sanction either of the Court or of the Committee of Inspection.

(11) Section 194, Sub-section (2), and Section 195 of the Act of 1908 are to have effect as though the references therein to General Meetings of the Company included references to Meetings of the Creditors.

(12) The books and papers of the Company and of the Liquidator are to be disposed of in such manner as the Committee of Inspection or, if there is no such Committee, as the Creditors of the Company may direct.

The penalty for default in complying with the provisions of Section 67 of the new Act is a fine of £100. The said Section wholly replaces Sections 188 and 190 of the Act of 1908 and extends Section 237 of such Act (which last-mentioned Section gives power to make general rules with respect to the winding up of Companies in England) so as to authorise the making of rules for carrying into effect the objects of the said Section 67.

Section 222 of the Act of 1908 (as to the disposal of books and papers of the Company) is extended by the Second Schedule to the new Act, which authorises the making of Rules for enabling the Board of Trade to prevent the destruction of the books and papers of a Company which has been wound up.

APPENDIX

THE COMPANIES ACT, 1928.

THE COMPANIES ACT, 1928

[18 & 19 GEORGE 5, CHAPTER 45]

An Act to amend the Companies Acts, 1908 to 1917, and for purposes connected therewith.

[3rd August, 1928

BE it enacted by the King's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows :—

PROVISIONS OF GENERAL APPLICATION.

Restriction on registration of companies by certain names.

1.—(1) A company shall not, except with the consent of the Board of Trade, be registered by a name which contains the word "Royal" or "Imperial" or "Municipal" or "Chartered" or which in the opinion of the registrar suggests, or is calculated to suggest, the patronage of His Majesty or of any member of the Royal Family or connection with His Majesty's Government or any department thereof or with any municipality or other local authority or society or body incorporated by Royal Charter.

(2) No company shall be registered by a name which contains the word "Co-operative" except with the consent of the Board of Trade.

(3) No company, other than an association which in pursuance of section twenty of the principal Act is to be registered without the addition of the word "Limited" to its name, shall be registered by a name which contains the words "Chamber of Commerce."

If in the case of a company which has been registered by a name containing the words "Chamber of Commerce" the licence granted under the said section twenty is revoked by the Board of Trade, the name of the company shall, within a period of six weeks from the date of the revocation or such longer period as the Board may think fit to allow, be changed to a name which does not contain the words "Chamber of Commerce," and if the name of the company is not so changed the company shall be liable to a fine not exceeding fifty pounds for every day during which the default continues.

In any such case the notice to be given by the Board of Trade under subsection (4) of the said section of their intention

to revoke the said licence shall include a statement of the effect of the last foregoing paragraph of this subsection.

(4) No company shall be registered by a name which contains the words " building society."

Declaration as to operation of s. 9 of principal Act.

2. For removing doubts it is hereby declared that a company has power under section nine of the principal Act to alter the provisions of its memorandum by including among its objects a power to sell or dispose of the whole undertaking of the company and a power to amalgamate with any other company or body of persons.

Alterations in memorandum or articles increasing liability to contribute to share capital not to bind existing members without consent.

3. Notwithstanding anything in the memorandum or articles of a company, no member of the company shall, subject as hereinafter provided, be bound by any alteration made in the memorandum or articles after the date on which he became a member if and so far as the alteration requires him to take or subscribe for more shares than the number held by him at the date on which the alteration is made or in any way increases his liability as at that date to contribute to the share capital of or otherwise to pay money to the company :

Provided that this section shall not apply in any case where the member agrees in writing to be bound by the alteration either before or after it is made.

Amendment of s. 18 of principal Act.

4. Section eighteen of the principal Act (which requires copies of the memorandum and articles of a company to be given to the members) shall be amended as follows :—

(*a*) at the end of subsection (1) there shall be inserted the words " and also, on payment of such sum not exceeding the published price thereof as the company may require, a copy of any Act of Parliament which alters the memorandum " :

(*b*) at the end of subsection (2) there shall be inserted the words " and every director, manager, secretary, or other officer of the company who knowingly and wilfully authorises or permits the default shall be liable to the like penalty " :

(*c*) after subsection (2) there shall be inserted the following new subsection :

" (3) Where any alteration is made in the memorandum of a company, every copy of the memorandum issued after the date of the alteration shall be in accordance with the alteration.

" If, where any such alteration has been made, the company at any time after the date of the alteration, issues any copies of the memorandum which are not in accordance with the alteration, it shall be liable to a fine not exceeding one pound for each copy so issued, and every director, manager,

secretary or other officer of the company who knowingly and wilfully authorises or permits the issue shall be liable to the like penalty."

Index of members of company.

5.—(1) Every company having more than fifty members shall, unless the register of members is in such a form as to constitute in itself an index, keep an index of the names of the members of the company and shall, within fourteen days after the date on which any alteration is made in the register of the members, make any necessary alteration in the index.

(2) The index (which may be in the form of a card index) shall in respect of each member contain a sufficient indication to enable the account of that member in the register to be readily found.

(3) Subsection (1) of section thirty of the principal Act (which relates to the inspection of the register of members) shall have effect as if the index required to be kept by this section were a part of the register of members, and subsection (3) of the said section thirty shall apply accordingly.

(4) If a company fails to comply with this section it shall be liable to a fine not exceeding five pounds for every day during which the default continues, and every director, manager, secretary or other officer of the company who knowingly and wilfully authorises or permits the default shall be liable to the like penalty.

Amendment of s. 26 of principal Act.

6. Section twenty-six of the principal Act (which relates to the annual list of the members of a company and the summary to be contained in that list) shall be amended as follows :—

(*a*) In subsection (1) for the words " make a list " there shall be substituted the words " make a return con- " taining a list ";

(*b*) in subsection (2) before the words " must contain " there shall be inserted the words " if the names " therein are not arranged in alphabetical order, must " have annexed to it an index sufficient to enable the " name of any person in the list to be readily found.

" The return must also state the address of the " registered office of the company " and the words " or stock " and the words " or amount of stock " shall be omitted therefrom and the following shall be substituted for paragraph (*l*) :

" (*l*) all such particulars with respect to the persons who at the date of the return are the directors of the company as are under section seventy-five of this Act required to be contained with respect to directors in the register of the directors of a company " :

Provided that the inclusion in the annual return of a statement as to the address of the registered office of the company shall not be taken to be in satisfaction of the obligation of a company under section sixty-two of the principal Act to give notice to the registrar of companies of the situation of its registered office and of any change therein;

(*c*) in paragraph (*m*) of subsection (2) for the words "debt due from" there shall be substituted the words "the indebtedness of";

(*d*) the following shall be substituted for subsection (3):—

"(3) Except where the company is a private company, the annual return shall include a written copy, certified by a director or the manager or secretary of the company to be a true copy, of the last balance sheet which has been audited by the company's auditors (including every document required by law to be annexed thereto) together with a copy of the report of the auditors thereon (certified as aforesaid), and if any such balance sheet is in a foreign language there shall also be annexed to it a translation thereof in English, certified in the prescribed manner to be a correct translation:

Provided that, if the said last balance sheet did not comply with the requirements of the law as in force at the date of the audit with respect to the form of balance sheets there shall be made such additions to and corrections in the said copy as would have been required to be made in the said balance sheet in order to make it comply with the said requirements, and the fact that the said copy has been so amended shall be stated thereon";

(*e*) in subsection (4) the words "annual return" shall be substituted for the words "above list and summary," the words "fourteen days" shall be substituted for the words "seven days," and after the words "signed" by" there shall be inserted the words "a director "or by";

(*f*) in subsection (5) for the words "and manager" there shall be substituted the words "manager, secretary "or other officer";

Annual return to be made by company not having share capital.

7.—(1) Every company not having a share capital shall once at least in every calendar year make a return stating—

(*a*) the address of the registered office of the company;

(*b*) all such particulars with respect to the persons who at the date of the return are the directors of the company as are under section seventy-five of the principal Act required to be contained with respect to directors in the register of directors of a company.

(2) There shall be annexed to the return a statement containing particulars of the total amount of the indebtedness of the company in respect of all mortgages and charges which are required (or, in the case of a company registered in Scotland, which, if the company had been registered in England, would be required) to be registered with the registrar of companies under the principal Act.

(3) The inclusion in the return of a statement as to the address of the registered office of the company shall not be taken to be in satisfaction of the obligation of the company under section sixty-two of the principal Act to give notice to the registrar of companies of the situation of its registered office and of any change therein.

(4) The return must be contained in a separate part of the register of members and must be completed within twenty-eight days after the first or only general meeting in the year, and the company shall forthwith forward to the registrar of companies a copy signed by a director or by the manager or secretary of the company.

(5) Subsections (3) and (5) of section twenty-six of the principal Act shall apply for the purposes of this section as if they were herein re-enacted.

Transfer of shares or debentures not to be registered except on production of instrument of transfer.

8.—(1) Notwithstanding anything in its articles it shall not be lawful for a company to register a transfer of shares in or debentures of the company unless a proper instrument of transfer has been delivered to the company :

Provided that nothing in this section shall prejudice any power of the company to register as shareholder or debenture holder any person to whom the right to any shares in or debentures of the company has been transmitted by operation of law.

(2) The production to a company of any document which is by law sufficient evidence of probate of the will, or letters of administration of the estate, of a deceased person having been granted to some person shall be accepted by the company, notwithstanding anything in its articles, as sufficient evidence of the grant.

Amendment of s. 30 of principal Act.

9. Section thirty of the principal Act (which relates to the inspection of the register of members) shall be amended as follows :—

(*a*) at the end of subsection (2) there shall be inserted the following paragraph :—

> " The company shall cause any copy so required by any person to be sent to that person within a period of ten days commencing on the day next after the day on which the requirement is received by the company ";

(*b*) the following shall be substituted for subsection (3) :—

"(3) If any inspection required under this section is refused or if any copy required under this section is not sent within the proper period, the company shall be liable in respect of each offence to a fine not exceeding two pounds, and to a further fine not exceeding two pounds for every day during which the refusal or default continues, and every director, manager, secretary or other officer of the company who knowingly and wilfully authorises or permits the refusal or default shall be liable to the like penalty, and the court may by order compel an immediate inspection of the register or direct that the copies required shall be sent to the persons requiring them."

Amendments with respect to colonial registers.

10.—(1) The following shall be substituted for section thirty-four of the principal Act (which authorises companies to keep colonial registers) :—

"(1) A company having a share capital whose objects comprise the transaction of business in any part of His Majesty's Dominions outside Great Britain, the Channel Islands or the Isle of Man may cause to be kept in any such part of His Majesty's Dominions in which it transacts business a branch register of members resident in that part (in this Act called a 'Dominion register').

"(2) The company shall give to the registrar of companies notice of the situation of the office where any Dominion register is kept and of any change in its situation, and if it is discontinued of its discontinuance, and any such notice shall be given within fourteen days of the opening of the office or of the change or discontinuance, as the case may be."

(2) For references to a colonial register wherever they occur in the principal Act or in any articles registered before the commencement of this Act there shall be substituted references to a Dominion register.

(3) If a company makes default in complying with the provisions of subsection (2) of the said section thirty-four or of subsection (3) of section thirty-five of the principal Act (which enacts regulations as to colonial registers), it shall be liable to a fine not exceeding five pounds for every day during which the default continues, and every director, manager, secretary or other officer of the company who knowingly and wilfully authorises or permits the default shall be liable to the like penalty.

(4) The particulars of the entries in the Dominion register of a company shall, so far as they relate to matters which are required to be stated in the annual return to be made under

section twenty-six of the principal Act, be included in the annual return made next after copies of those entries are received at the registered office of the company.

(5) His Majesty may by Order in Council direct that sections thirty-four, thirty-five and thirty-six of the principal Act, including any enactments for the time being in force amending or substituted for those sections, shall extend, with or without any exceptions, adaptations or modifications specified in the Order, to any territories under His Majesty's protection to which those sections cannot be extended under the Foreign Jurisdiction Acts, 1890 and 1913.

His Majesty may by Order in Council revoke or vary any Order made under this subsection.

Provisions as to branch registers of Dominion companies kept in the United Kingdom.

11.—(1) If by virtue of the law in force in any part of His Majesty's Dominions outside Great Britain companies incorporated under that law have power to keep in Great Britain branch registers of their members resident in Great Britain His Majesty may by Order in Council direct that sections thirty and thirty-two of the principal Act shall, subject to any modifications and adaptations specified in the Order, apply to and in relation to any such branch registers kept in Great Britain as they apply to and in relation to the registers of companies within the meaning of the principal Act.

(2) For the purposes of this section the expression "His Majesty's Dominions" includes any territory which is under His Majesty's protection or in respect of which a mandate under the League of Nations has been accepted by His Majesty.

Amendment of subsection (1) and repeal of subsection (3) of s. 41 of principal Act.

12. Section forty-one of the principal Act (which gives power to a company limited by shares to alter its share capital) shall be amended as follows :—

(*a*) in subsection (1) after the words "limited by shares" there shall be inserted the words "or a company "limited by guarantee and having a share capital";

(*b*) subsection (3) shall cease to have effect.

Amendment of subsection (2) of s. 41 of principal Act.

13. Subsection (2) of section forty-one of the principal Act (which relates to the power of a company to alter its share capital) shall be amended by leaving out the words "with "respect to sub-division of shares," and substituting the words "the company in general meeting" for the words "special "resolution."

Amendment of s. 42 of principal Act.

14. The following section shall be substituted for section forty-two of the principal Act :—

"(1) If a company having a share capital has—

(*a*) consolidated and divided its share capital into shares of larger amount than its existing shares; or

(*b*) converted any of its shares into stock; or

(*c*) re-converted stock into shares; or

(*d*) redeemed any redeemable preference shares;

or

(*e*) cancelled (otherwise than in connection with a reduction of share capital under section forty-six of this Act) any shares,

it shall within one month after so doing give notice thereof to the registrar of companies specifying, as the case may be, the shares consolidated, divided, converted, redeemed or cancelled, or the stock re-converted.

" (2) If a company makes default in complying with the provisions of this section it shall be liable to a fine not exceeding five pounds for every day during which the default continues, and every director, manager, secretary or other officer of the company who knowingly and wilfully authorises or permits the default shall be liable to the like penalty."

Amendment of s. 44 of principal Act.

15. Section forty-four of the principal Act (which provides for the giving of notice of the increase of share capital or of the members of a company) shall be amended as follows :—

(*a*) in subsection (1) the words " or in the case of a " special resolution the confirmation " shall cease to have effect;

(*b*) after subsection (1) there shall be inserted the following new subsection :—

" (1A) In the case of an increase of share capital the notice to be given as aforesaid shall include such particulars as may be prescribed with respect to the classes of shares affected and the conditions subject to which the new shares have been or are to be issued, and there shall be forwarded to the registrar of companies together with the notice a printed copy of the resolution authorising the increase ";

(*c*) in subsection (2) for the words " and manager " there shall be substituted the words " manager, secretary or " other officer."

Prohibition of provision of financial assistance by company for purchase of its own shares.

16.—(1) Subject as hereinafter provided, it shall not be lawful for a company to give, whether directly or indirectly, and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of or in connection with a purchase made or to be made by any person of any shares in the company :

Provided that nothing in this section shall be taken to prohibit—

(*a*) where the lending of money is part of the ordinary

business of a company, the lending of money by the company in the ordinary course of its business;

(*b*) the provision by a company, in accordance with any scheme for the time being in force, of money for the purchase by trustees of fully-paid shares in the company to be held by or for the benefit of employees of the company, including any director holding a salaried employment or office in the company;

(*c*) the making by a company of loans to persons bona fide in the employment of the company with a view to enabling those persons to purchase fully-paid shares in the company to be held by themselves by way of beneficial ownership.

(2) Nothing in proviso (*c*) to subsection (1) of this section shall render lawful the making of a loan to a person who is a director of the company.

(3) The aggregate amount of any outstanding loans made under the authority of provisoes (*b*) and (*c*) to subsection (1) of this section shall be shown as a separate item in the balance sheet.

(4) If a company acts in contravention of the provisions of this section it shall be liable to a fine not exceeding one hundred pounds, and every director, manager, secretary or other officer of the company who knowingly and wilfully authorises or permits the contravention shall be liable to the like penalty.

Rights of holders of special classes of shares.

17.—(1) If in the case of any company, the share capital of which is divided into different classes of shares, provision is made by the memorandum or articles for authorising the variation of the rights attached to any class of shares in the company, subject to the consent of any specified proportion of the holders of the issued shares of that class or the sanction of a resolution passed at a separate meeting of the holders of those shares, and in pursuance of the said provision the rights attached to any such class of shares are at any time varied, the holders of not less in the aggregate than fifteen per cent. of the issued shares of that class, being persons who did not consent to, or vote in favour of the resolution for, the variation, may apply to the court to have the variation cancelled, and where any such application is made the variation shall not have effect unless and until it is confirmed by the court.

(2) An application under this section must be made within seven days after the date on which the consent was given or the resolution was passed, as the case may be, and may be made on behalf of the shareholders entitled to make the application by such one or more of their number as they may appoint in writing for the purpose.

(3) On any such application the court, after hearing the applicant and any other persons who apply to the court to be

heard and appear to the court to be interested in the application, may, if it is satisfied, having regard to all the circumstances of the case, that the variation would unfairly prejudice the shareholders of the class represented by the applicant, disallow the variation and shall, if not so satisfied, confirm the variation.

(4) The decision of the court on any such application shall be final.

(5) The company shall within fifteen days after the making of an order by the court on any such application forward a copy of the order to the registrar of companies, and if the company fails to comply with this provision it shall be liable to a fine not exceeding five pounds for every day during which the default continues, and every director, manager, secretary or other officer of the company who knowingly and wilfully authorises or permits the default shall be liable to the like penalty.

(6) The expression " variation " in this section includes abrogation and the expression " varied " shall be construed accordingly.

Power to issue redeemable preference shares.

18.—(1) Subject to the provisions of this section, a company limited by shares may, if so authorised by its articles, issue preference shares which are, or at the option of the company are to be liable, to be redeemed :

Provided that—

(*a*) no such shares shall be redeemed except out of profits of the company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purposes of the redemption;

(*b*) no such shares shall be redeemed unless they are fully paid;

(*c*) where any such shares are redeemed otherwise than out of the proceeds of a fresh issue there shall out of profits which would otherwise have been available for dividend be transferred to a reserve fund, to be called " the capital redemption reserve fund," a sum equal to the amount applied in redeeming the shares, and the provisions of the principal Act relating to the reduction of the share capital of a company shall, except as hereinafter provided, apply as if the capital redemption reserve fund were paid up share capital of the company;

(*d*) where any such shares are redeemed out of the proceeds of a fresh issue if a premium is payable on redemption such premium shall have been provided for out of the profits of the company before the shares are redeemed.

(2) There shall be included in every balance sheet of a company which has issued redeemable preference shares a

statement specifying what part of the issued capital of the company consists of such shares and the date on or before which those shares are, or are to be liable, to be redeemed.

If a company fails to comply with the provisions of this subsection it shall be liable to a fine not exceeding one hundred pounds, and every director, manager, secretary or other officer of the company who knowingly and wilfully authorises or permits the default shall be liable to the like penalty.

(3) Subject to the provisions of this section, the redemption of preference shares thereunder may be effected on such terms and in such manner as may be provided by the articles of the company.

(4) Where in pursuance of this section a company has redeemed or is about to redeem any preference shares, it shall have power to issue shares up to the nominal amount of the shares redeemed or to be redeemed as if those shares had never been issued, and accordingly the share capital of the company shall not for the purposes of any enactments relating to stamp duty be deemed to be increased by the issue of shares in pursuance of this subsection :

Provided that where new shares are issued before the redemption of the old shares, the new shares shall not, so far as relates to stamp duty, be deemed to have been issued in pursuance of this subsection unless the old shares are redeemed within one month after the issue of the new shares.

(5) Where new shares have been issued in pursuance of the last foregoing subsection, the capital redemption reserve fund may, notwithstanding anything in this section, be applied by the company, up to an amount equal to the nominal amount of the shares so issued, in paying up unissued shares of the company to be issued to members of the company as fully paid bonus shares.

Reduction of capital.

19.—(1) The following section shall be substituted for section forty-eight of the principal Act (which provides for the addition to the name of a company of the words " and " reduced ") :—

> " Where the court makes an order confirming a reduction of the share capital of a company it may, if for any special reason it thinks proper so to do, direct that the company shall, during such period (commencing on or at any time after the date of the order) as is specified in the order, add to its name as the last words thereof the words ' and reduced,' and those words shall, until the expiration of the period specified, be deemed to be part of the name of the company."

(2) Where an application has been made to the court for the confirmation of a reduction of share capital which involves either the diminution of any liability in respect of unpaid share capital or the payment to any shareholder of any paid-up share capital, the court may, if having regard to any special

circumstances of the case it thinks proper so to do, direct that section forty-nine of the principal Act (which makes provision with respect to objections by creditors and the settlement of a list of the objecting creditors in cases of reduction of capital), shall not, as regards any class or any classes of creditors, apply in relation to the reduction to which the application relates, and, where the court so directs, the consent of the creditors of that class or those classes to the reduction shall not be required.

(3) Section forty of the principal Act (which gives power to return accumulated profits in reduction of paid-up share capital), shall cease to have effect.

Amendment of s. 62 of principal Act.

20. Section sixty-two of the principal Act (which relates to the registered office of a company) shall be amended as follows :—

(*a*) In subsection (1) after the word " shall " there shall be inserted the words " as from the day on which it " begins to carry on business or as from the twenty-" eighth day after the date of its incorporation, " whichever is the earlier " :

(*b*) In subsection (2) after the word " given " there shall be inserted the words " within twenty-eight days after " the date of the incorporation of the company or of " the change, as the case may be " :

(*c*) The following shall be substituted for subsection (3) :—

" (3) If a company makes default in complying with the requirements of this section it shall be liable to a fine not exceeding five pounds for every day during which the default continues, and every director, manager, secretary or other officer of the company who knowingly and wilfully authorises or permits the default shall be liable to the like penalty."

Amendment of s. 65 of principal Act.

21. Section sixty-five of the principal Act (which relates to the first statutory meeting of a company) shall be amended as follows :—

(*a*) For the words in subsection (1) from the beginning thereof down to the words " hundred and one " inclusive there shall be substituted the words " Every " company limited by shares and every company limited " by guarantee and having a share capital " :

(*b*) The following shall be substituted for subsection (10) :—

" (10) Nothing in this section shall apply to a private company " :

(*c*) At the end of the section there shall be inserted the following new subsection :

" (11) In the event of any default in complying with the provisions of this section every director of the company who is guilty of or who knowingly and wilfully authorises or permits the default shall be liable to a fine not exceeding fifty pounds."

Amendment of s. 66 of principal Act.

22. Section sixty-six of the principal Act (which provides for the convening of an extraordinary general meeting on a requisition by certain shareholders) shall be amended as follows :—

(*a*) In subsection (1) for the words " the holders of not " less than one-tenth of the issued share capital of " the company upon which all calls or other sums " then due have been paid, forthwith proceed " there shall be substituted the words " members of the com- " pany holding at the date of the deposit of the " requisition not less than one-tenth of such of the " paid up capital of the company as at the date of " the deposit carries the right of voting at general " meetings of the company, or, in the case of a com- " pany not having a share capital, members of the " company representing not less than one-tenth of the " total voting rights of all the members having at the " said date a right to vote at general meetings of the " company forthwith proceed duly " :

(*b*) The following shall be substituted for subsection (3) :—

" (3) If the directors do not within twenty-one days from the date of the deposit of the requisition proceed duly to convene a meeting, the requisitionists, or any of them representing more than one half of the total voting rights of all of them, may themselves convene a meeting, but any meeting so convened shall not be held after the expiration of three months from the said date " :

(*c*) Subsection (4) shall cease to have effect :

(*d*) At the end of subsection (5) there shall be inserted the following new subsections :—

" (6) Any reasonable expenses incurred by the requisitionists by reason of the failure of the directors duly to convene a meeting shall be repaid to the requisitionists by the company, and any sum so repaid shall be retained by the company out of any sums due or to become due from the company by way of fees or other remuneration in respect of their services to such of the directors as were in default.

(7) For the purposes of this section the directors shall, in the case of a meeting at which a resolution is to be proposed as a special resolution, be deemed

not to have duly convened the meeting if they do not give such notice thereof as is required by section sixty-nine of this Act."

Amendment of s. 67 of principal Act.

23. The following section shall be substituted for section sixty-seven of the principal Act (which makes provision with respect to meetings and votes) :—

" (1) The following provisions shall have effect in so far as the articles of the company do not make other provision in that behalf :—

(*a*) a meeting of a company, other than a meeting for the passing of a special resolution, may be called by seven days' notice in writing;

(*b*) notice of the meeting of a company shall be served on every member of the company in the manner in which notices are required to be served by Table A in the First Schedule to this Act, and for the purpose of this provision the expression ' Table A ' means that table as for the time being in force;

(*c*) two or more members holding not less than one-tenth of the issued share capital or, if the company has not a share capital, not less than five per cent. in number of the members of the company may call a meeting;

(*d*) in the case of a private company two members and in the case of any other company three members personally present shall be a quorum;

(*e*) any member elected by the members present at a meeting may be chairman thereof;

(*f*) in the case of a company originally having a share capital, every member shall have one vote in respect of each share or each ten pounds of stock held by him, and in any other case every member shall have one vote.

(2) If for any reason it is impracticable to call a meeting of a company in any manner in which meetings of that company may be called or to conduct the meeting of the company in manner prescribed by the articles or this Act, the court, either on the application of any director of the company or of any member of the company who would be entitled to vote at the meeting or of its own motion, may order a meeting of the company to be called, held and conducted in such manner as the court thinks fit, and where any such order is made may give such ancillary or consequential directions as it thinks expedient, and any meeting called, held and conducted in accordance with any such order shall for all purposes be deemed to be a meeting of the company duly called, held and conducted."

24. The following section shall be substituted for section sixty-eight of the principal Act (which relates to the representation of companies at meetings of other companies of which they are members) :— Amendment of s. 68 of principal Act.

" (1) A corporation, whether a company within the meaning of this Act or not, may—

(*a*) if it is a member of another corporation, being a company within the meaning of this Act, by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the company or at any meeting of any class of members of the company;

(*b*) if it is a creditor (including a holder of debentures) of another corporation, being a company within the meaning of this Act, by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of any creditors of the company held in pursuance of this Act or of any rules made thereunder, or in pursuance of the provisions contained in any debenture or trust deed, as the case may be.

(2) A person authorised as aforesaid shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual shareholder, creditor, or holder of debentures, of that other company."

25. Section sixty-nine of the principal Act (which defines extraordinary resolutions and special resolutions) shall be amended as follows :— Amendment of s. 69 of principal Act.

(1) In subsection (1) for the words " entitled to vote as " are present " there shall be substituted the words " as, being entitled so to do, vote."

(2) The following shall be substituted for subsection (2) :—

" (2) A resolution shall be a special resolution when it has been passed by such a majority as is required for the passing of an extraordinary resolution and at a general meeting of which not less than twenty-one days' notice, specifying the intention to propose the resolution as a special resolution, has been duly given :

Provided that, if all the members entitled to attend and vote at any such meeting so agree, a resolution may be proposed and passed as a special resolution at a meeting of which less than twenty-one days' notice has been given."

(3) In subsection (3) the words " or confirmed " shall cease to have effect.

(4) The following shall be substituted for subsection (4) :—

" (4) At any meeting at which an extraordinary resolution or a special resolution is submitted to be passed a poll shall be taken to be effectively demanded, if demanded—

(*a*) by such number of members for the time being entitled under the articles to vote at the meeting as may be specified in the articles, so, however, that it shall not in any case be necessary for more than five members to make the demand; or

(*b*) if no provision is made by the articles with respect to the right to demand the poll, by three members so entitled or by one member or two members so entitled, if that member holds or those two members together hold not less than fifteen per cent. of the paid up share capital of the company."

Amendment of s. 70 of principal Act.

26. Section seventy of the principal Act (which makes provision with respect to registration and copies of special resolutions) shall be amended as follows :—

(*a*) The following shall be substituted for subsection (1) :—

" (1) A printed copy of every special resolution shall, within fifteen days after the date of the passing thereof, be forwarded to the registrar of companies and recorded by him ";

(*b*) In subsection (2) for the word " confirmation " there shall be substituted the word " passing."

(*c*) In subsection (3) for the words " a copy " there shall be substituted the words " a printed copy " and the words " in print " shall be omitted;

(*d*) In subsection (4) the words " printing or " and the words " or extraordinary " shall be omitted;

(*e*) In subsection (5) the words " in print " shall be omitted;

(*f*) In subsection (6) for the words " and manager " there shall be substituted the words " manager, secretary " or other officer and every liquidator ";

(*g*) The following new subsections shall be inserted at the end of the section :—

" (7) This section shall have effect as if references therein to a special resolution included references

to every resolution or agreement of any of the following classes, that is to say :—

(i) Extraordinary resolutions;

(ii) Resolutions which have been agreed to by all the members of a company, but which, if not so agreed to, would not have been effective for their purpose unless (as the case may be) they had been passed as special resolutions or as extraordinary resolutions;

(iii) Resolutions or agreements which have been agreed to by all the members of some class of shareholders but which, if not so agreed to, would not have been effective for their purpose unless they had been passed by some particular majority or otherwise in some particular manner, and all resolutions or agreements which effectively bind all the members of any class of shareholders though not agreed to by all those members;

(iv) Resolutions requiring a company to be wound up voluntarily, passed under paragraph (1) of section one hundred and eighty-two of this Act."

Inspection of minute books.

27.—(1) The books containing the minutes of proceedings of any general meeting of a company held after this Act comes into operation shall be kept at the registered office of the company, and shall during business hours (subject to such reasonable restrictions as the company may by its articles or in general meeting impose, so that no less than two hours in each day be allowed for inspection) be open to the inspection of any member gratis.

(2) Any member shall be entitled to be furnished within seven days after he has made a request in that behalf to the company with a copy of any such minutes as aforesaid at a charge not exceeding sixpence for every hundred words.

(3) If any inspection required under this section is refused or if any copy required under this section is not sent within the proper time the company shall be liable in respect of each offence to a fine not exceeding two pounds and to a further fine not exceeding two pounds for every day during which the refusal or default continues, and every director, manager, secretary, or other officer of the company who knowingly and wilfully authorises or permits the refusal or default shall be liable to the like penalty, and the court may by order compel an immediate inspection of the books in respect of all proceedings of general meetings or direct that the copies required shall be sent to the persons requiring them.

Appointments of directors.

28.—(1) Every company registered after the commencement of this Act shall have at least two directors.

(2) This section shall not apply to a private company.

Amendment of s. 72 of principal Act.

29. Section seventy-two of the principal Act (which enacts restrictions on the appointment or advertisement of directors) shall be amended as follows :—

(*a*) In subsection (1) after the words " on behalf of the " company " there shall be inserted the words " or " as proposed director of an intended company in " any prospectus issued in relation to that intended " company " :

(*b*) The following shall be substituted for paragraph (ii) of subsection (1) :—

" (ii) either signed the memorandum for a number of shares not less than his qualification, if any, or taken from the company and paid or agreed to pay for his qualification shares, if any, or signed and filed with the registrar an undertaking in writing to take from the company and pay for his qualification shares, if any, or made and forwarded to the registrar a statutory declaration to the effect that a number of shares, not less than his qualification, if any, are registered in his name."

(*c*) The following subsections shall be substituted for subsection (3) :—

" (3) Where a person has signed and filed such an undertaking, he shall, as regards those shares, be in the same position as if he had signed the memorandum for that number of shares.

(4) This section shall not apply to a company not having a share capital, to a private company, nor to a company which was a private company before becoming a public company, nor to a prospectus issued by or on behalf of a company after the expiration of one year from the date on which the company was entitled to commence business."

Resolutions passed at adjourned meetings.

30. Where after the commencement of this Act a resolution is passed at an adjourned meeting of—

(*a*) a company;
(*b*) the holders of any class of shares in a company;
(*c*) the directors of a company;
(*d*) any creditors or contributories of a company;

the resolution shall for all purposes be treated as having been passed on the date on which it was in fact passed, and shall not be deemed to have been passed on any earlier date.

Amendment of s. 75 of principal Act.

31. The following shall be substituted for section seventy-five of the principal Act (which provides for the keeping of a register of the directors of a company) :—

" (1) Every company shall keep at its registered office a register of its directors or managers containing with

respect to each of them the following particulars, that is to say—

(*a*) in the case of an individual, his present christian name and surname, any former christian name or surname, his usual residential address, his nationality, and, if that nationality is not the nationality of origin, his nationality of origin, and his business occupation, if any, or, if he has no business occupation but holds any other directorship or directorships, particulars of that directorship or of some one of those directorships; and

(*b*) in the case of a corporation, its corporate name and registered or principal office.

(2) The company shall, within the periods respectively mentioned in this subsection, send to the registrar of companies a return in the prescribed form containing the particulars specified in the said register and a notification in the prescribed form of any change among its directors or in any of the particulars contained in the register.

For the purposes of this section the period within which the said return is to be sent shall be a period of fourteen days from the appointment of the first directors of the company, and the period within which the said notification of a change is to be sent shall be fourteen days from the happening thereof.

(3) The register to be kept under this section shall during business hours (subject to such reasonable restrictions as the company may by its articles or in general meeting impose, so that not less than two hours in each day be allowed for inspection) be open to the inspection of any member of the company without charge and of any other person on payment of one shilling, or such less sum as the company may prescribe, for each inspection.

(4) If any inspection required under this section is refused or if default is made in compliance with the provisions of subsection (1) or subsection (2) of this section, the company shall be liable in respect of each offence to a fine not exceeding five pounds for every day during which the refusal or default continues, and every director, manager, secretary or other officer of the company who knowingly and wilfully authorises or permits the refusal or default shall be liable to the like penalty, and the court may by order compel an immediate inspection of the register.

(5) In this section the expression 'director' includes any person in accordance with whose directions or instructions the directors of the company are accustomed to act."

Provisions with respect to offers of shares or debentures for sale.

32.—(1) Where a company allots or agrees to allot any shares in or debentures of the company with a view to all or any of those shares or debentures being offered for sale to the public, any document by which the offer for sale to the public is made shall for all purposes be deemed to be a prospectus issued by the company, and all enactments and rules of law as to the contents of prospectuses and to liability in respect of statements in and omissions from prospectuses, or otherwise relating to prospectuses, shall, apply and have effect accordingly, as if the shares or debentures had been offered to the public for subscription and as if persons accepting the offer in respect of any shares or debentures were subscribers for those shares or debentures, but without prejudice to the liability, if any, of the persons by whom the offer is made, in respect of mis-statements contained in the document or otherwise in respect thereof.

(2) For the purposes of this Act it shall, unless the contrary is proved, be evidence that an allotment of, or an agreement to allot, shares or debentures was made with a view to the shares or debentures being offered for sale to the public if it is shown—

(*a*) that an offer of the shares or debentures or of any of them for sale to the public was made within six months after the allotment or agreement to allot; or

(*b*) that at the date when the offer was made the whole consideration to be received by the company in respect of the shares or debentures had not been so received.

(3) Section eighty of the principal Act as applied by this section shall have effect as though the persons making the offer were persons named in a prospectus as directors of a company, and section eighty-one of the principal Act as applied by this section shall have effect as if it required a prospectus to state in addition to the matters specified in that section—

(*a*) the net amount of the consideration received or to be received by the company in respect of the shares or debentures to which the offer relates; and

(*b*) the place and time at which the contract under which the said shares or debentures have been or are to be allotted may be inspected.

(4) Where a person making an offer to which this section relates is a company or a firm, it shall be sufficient if the document aforesaid is signed on behalf of the company or firm by two directors of the company or not less than half of the partners, as the case may be, and any such director or partner may sign by his agent authorised in writing.

33.—(1) Section eighty-one of the principal Act (which prescribes the particulars which are to be stated in a prospectus) shall be amended as follows :— Amendment of s. 81 of principal Act.

(i) The following shall be substituted for paragraph (*n*) of subsection (1) :—

" (*n*) if the prospectus invites the public to subscribe for shares in the company and the share capital of the company is divided into different classes of shares, the right of voting at meetings of the company conferred by, and the rights in respect of capital and dividends attached to, the several classes of shares respectively " :

(ii) After paragraph (*n*) of subsection (1) there shall be inserted the following paragraphs :—

" (*o*) a report by the auditors of the company with respect to the profits of the company in respect of each of the three financial years immediately preceding the issue of the prospectus, and the rates of the dividends, if any, paid by the company in respect of each class of shares in the company in respect of each of the said three years, together with particulars of each such class of shares on which such dividends have been paid, and particulars of the cases in which no dividends have been paid in respect of any class of shares in respect of any of those years, and if no accounts have been made up in respect of any part of the period of three years ending on a date three months before the issue of the prospectus, a statement of that fact :

(*p*) if the proceeds, or any part of the proceeds, of the issue of the shares or debentures are or is to be applied directly or indirectly in the purchase of any business, the contents of a report made by accountants who shall be named in the prospectus upon the profits of the business in respect of each of the three financial years immediately preceding the issue of the prospectus " :

(iii) The following shall be inserted at the end of subsection (1) :—

" Provided that, in the case of a company which has been carrying on business, or of a business which has been carried on, for less than three years the prospectus shall state how long the business of the company, or the business to be acquired, as the case may be, has been carried on, and where the accounts of any such company or business have only been made up in respect of two years or one year, paragraphs (*o*) and (*p*) of this subsection shall have effect as if references to two

years or one year, as the case may be, were substituted for references to three years " :

(iv) After subsection (5) there shall be inserted the following subsection :—

" (5A) It shall not be lawful to issue any form of application for shares in or debentures of a company unless the form is issued with a prospectus which complies with the requirements of this section :

Provided that this subsection shall not apply if it is shown that the form of application was issued either—

(*a*) in connection with a bonâ fide invitation to a person to enter into an underwriting agreement with respect to the shares or debentures; or

(*b*) in relation to the shares in or debentures of a company where there is no offer to the public :

If any person acts in contravention of the provisions of this subsection, he shall be liable, without prejudice to any other liability, to a fine not exceeding five hundred pounds " :

(v) Subsection (6) shall be amended as follows :—

(*a*) For the words " non-compliance with any," there shall be substituted the words " non-com- " pliance with or contravention of any " ;

(*b*) In paragraph (*b*), after the words " non- " compliance," there shall be inserted the words " or contravention " ;

(*c*) At the end of paragraph (*b*) there shall be inserted the following words : " or, if the non- " compliance or contravention was in respect of " matters which in the opinion of the court dealing " with the case were immaterial or was otherwise " such as ought, in the opinion of that court, having " regard to all the circumstances of the case, " reasonably to be excused " :

(vi) The following shall be substituted for subsection (7) :—

" (7) This section shall not apply to the issue to existing members or debenture holders of a company of a prospectus or form of application relating to shares in or debentures of the company, whether an applicant for shares or debentures will or will not have the right to renounce in favour of other persons, but subject as aforesaid this section shall apply to a prospectus or a form of application, whether issued on or with reference to the formation of a company or subsequently."

(2) The expression "financial year" in paragraphs (*o*) and (*p*) directed by this section to be inserted in subsection (1) of the said section eighty-one means the year in respect of which the accounts of the company or of the business, as the case may be, are made up, and where by reason of any alteration of the date on which the financial year of the company or business terminates the accounts of the company or business have been made up for a period greater or less than a year, that greater or less period shall for the purpose of the said paragraphs be deemed to be a financial year.

Amendment of s. 81 (8) of principal Act.

34. Subsection (8) of section eighty-one of the principal Act shall have effect as if for the words "one year" there were substituted the words "two years."

Amendment as to minimum subscription.

35.—(1) The words "the minimum subscription on which" "the directors may proceed to allotment and" in paragraph (*d*) of subsection (1) of section eighty-one of the principal Act (which prescribes the particulars which are required to be stated in a prospectus) shall cease to have effect, and the following new paragraph shall be inserted in the said subsection (1) after paragraph (*c*) :—

"(*cc*) where shares are offered to the public for subscription particulars as to—

(A) the minimum amount which, in the opinion of the directors, must be raised by the issue of those shares in order to provide the sums (or if any part thereof is to be defrayed in any other manner the balance of the sums) required to be provided in respect of each of the following matters :—

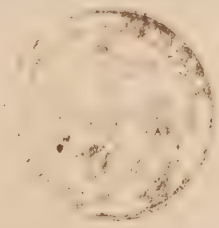
(i) the purchase price of any property purchased or to be purchased which is to be defrayed in whole or in part out of the proceeds of the issue;

(ii) any preliminary expenses payable by the company, and any commission so payable to any person in consideration of his agreeing to subscribe for, or of his procuring or agreeing to procure subscriptions for, any shares in the company;

(iii) the repayment of any moneys borrowed by the company in respect of any of the foregoing matters;

(iv) working capital; and

(B) the amounts to be provided in respect of the matters aforesaid otherwise than out of the proceeds of the issue and the sources out of which those amounts are to be provided; and"



(2) The following shall be substituted for subsections (1) and (2) of section eighty-five of the principal Act (which prohibits an allotment of share capital in certain cases unless certain conditions have been complied with) :—

" (1) No allotment shall be made of any share capital of a company offered to the public for subscription unless the amount stated in the prospectus as the minimum amount which, in the opinion of the directors, must be raised by the issue of share capital in order to provide for the matters specified in paragraph (*cc*) of subsection (1) of section eighty-one of this Act has been subscribed, and the sum payable on application for the amount so stated has been paid to and received by the company.

For the purposes of this subsection a sum shall be deemed to have been paid to and received by the company if a cheque for that sum has been received in good faith by the company and the directors of the company have no reason for suspecting that the cheque will not be paid.

(2) The amount so stated in the prospectus shall be reckoned exclusively of any amount payable otherwise than in cash and is in this Act referred to as ' the minimum subscription.' "

(3) Subsection (7) of section eighty-five of the principal Act shall cease to have effect, and in paragraph (*a*) of subsection (1) of section eighty-seven of the said Act before the word " shares " there shall be inserted the words " in a case " where any shares of the company have been offered to " the public for subscription."

Obligation to file statement in lieu of prospectus.

36.—(1) A company having a share capital which does not issue a prospectus on or with reference to its formation, or which has issued such a prospectus but has not proceeded to allot any of the shares offered to the public for subscription, shall not allot any of its shares or debentures unless at least three days before the first allotment of either shares or debentures there has been filed with the registrar of companies a statement in lieu of prospectus signed by every person who is named therein as a director or a proposed director of the company or by his agent authorised in writing in a form containing the particulars set out in Part I. of the First Schedule to this Act.

(2) This section shall not apply to a private company.

(3) If a company acts in contravention of this section, the company and every director of the company who knowingly authorises or permits the contravention shall be liable to a fine not exceeding one hundred pounds.

(4) Section eighty-six of the principal Act (which contains provisions as to allotments of shares in contravention of the provisions of section eighty-five of that Act) shall apply to an

allotment of shares in contravention of this section as it applies to an allotment in contravention of the said section eighty-five.

Power to issue shares at a discount.

37.—(1) Subject as hereinafter provided, it shall be lawful for a company to issue shares in the company of a class already issued at a discount:

Provided that—

(*a*) the issue of the shares at a discount must be authorised by resolution passed in general meeting of the company, and must be sanctioned by the court;

(*b*) the resolution must specify the maximum rate of discount at which the shares are to be issued;

(*c*) not less than one year must at the date of the issue have elapsed since the date on which the company was entitled to commence business;

(*d*) the shares to be issued at a discount must be issued within one month after the date on which the issue is sanctioned by the court or within such extended time as the court may allow.

(2) Where a company has passed a resolution authorising the issue of shares at a discount, it may apply to the court for an order sanctioning the issue, and on any such application the court, if, having regard to all the circumstances of the case, it thinks proper so to do, may make an order sanctioning the issue on such terms and conditions as it thinks fit.

(3) The summary required by section twenty-six of the principal Act, every prospectus relating to the issue of the shares and every balance sheet issued by the company subsequently to the issue of the shares must contain particulars of the discount allowed on the issue of the shares or of so much of that discount as has not been written off at the date of the making or issue of the document in question.

If a company makes default in complying with the requirements of this subsection, the company and every director, manager, secretary or other officer of the company who knowingly and wilfully authorises or permits the default shall be liable to a fine of five pounds for every day during which the default continues.

Amendment of s. 89 of principal Act.

38. Section eighty-nine of the principal Act shall be amended as follows:—

(*a*) There shall be inserted at the end of subsection (1) of section eighty-nine of the principal Act the words—

> "(*c*) Not in any case in excess of ten per cent. of the price at which the shares are issued; and provided that the number of shares which persons have agreed for a commission to subscribe absolutely is disclosed in the manner provided in this subsection."

(*b*) In paragraph (*b*) of subsection (1) after the word "filed" there shall be inserted the words "before the payment of the commission";

(*c*) At the end of the section there shall be added the following new subsection :—

"(4) If default is made in complying with the provisions of this section relating to the filing with the registrar of the statement in the prescribed form, the company and every director, manager, secretary or other officer of the company who knowingly and wilfully authorises or permits the default shall be liable to a fine not exceeding twenty-five pounds."

Accounts.

39.—(1) Every company shall cause to be kept proper books of account with respect to—

(*a*) all sums of money received and expended by the company and the matters in respect of which the receipt and expenditure takes place;

(*b*) all sales and purchases of goods by the company;

(*c*) the assets and liabilities of the company.

(2) The books of account shall be kept at the registered office of the company or at such other place as the directors think fit, and shall at all times be open to inspection by the directors.

(3) The directors of every company shall at some date not later than eighteen months after the incorporation of the company and subsequently once at least in every calendar year lay before the company in general meeting a profit and loss account or, in the case of a company not trading for profit, an income and expenditure account for the period, in the case of the first account, since the incorporation of the company, and, in any other case, since the preceding account, made up to a date not earlier than the date of the meeting by more than nine months, or, in the case of a company carrying on business or having interests abroad, by more than twelve months :

Provided that the Board of Trade, if for any special reason they think fit so to do, may, in the case of any company, extend the period of eighteen months aforesaid, and in the case of any company and with respect to any year extend the periods of nine and twelve months aforesaid.

(4) The directors shall cause to be made out in every calendar year, and to be laid before the company in general meeting, a balance sheet as at the date to which the profit and loss account, or the income and expenditure account, as the case may be, is made up, and there shall be attached to every such balance sheet a report by the directors with respect to the state of the company's affairs, the amount, if any, which they recommend should be paid by way of dividend, and the amount, if any,

which they propose to carry to the reserve fund, general reserve or reserve account shown specifically on the balance sheet, or to a reserve fund, general reserve or reserve account to be shown specifically on a subsequent balance sheet.

(5) If any person being a director of a company—

(*a*) fails to take all reasonable steps to secure compliance by the company with the requirements of subsection (1) or subsection (2) of this section, or has by his own wilful act been the cause of any default by the company under either of the said subsections; or

(*b*) fails to take all reasonable steps to comply with the provisions of subsection (3) or subsection (4) of this section;

he shall, in respect of each offence, be liable on summary conviction to imprisonment for a term not exceeding six months or to a fine not exceeding two hundred pounds:

Provided that a person shall not be sentenced to imprisonment for an offence under this section unless in the opinion of the court dealing with the case, the offence was committed wilfully.

(6) Section one hundred and thirteen of the principal Act (which relates to the powers and duties of auditors) shall be amended as follows:—

(*a*) In subsection (2) for the word "shareholders" there shall be substituted the word "members";

(*b*) For the word "shareholder" wherever it occurs in subsection (3) there shall be substituted the word "member";

(*c*) In subsection (3) after the word "furnished" there shall be inserted the words "within seven days after "he has made a request in that behalf to the company," and at the end of the said subsection (3) there shall be added the words "and if the company makes default "in furnishing such a copy to any member who "demands it and tenders to the company the amount "of the proper charge therefor, the company and "every director, manager, secretary or other officer "of the company who knowingly and wilfully "authorises or permits the default shall be liable to a "fine not exceeding five pounds for every day during "which the default continues";

(*d*) In subsection (3) the words "or there shall be inserted "at the foot of the balance sheet a reference to the "report" shall be omitted;

(*e*) Subsection (3) shall, so far as relates to companies other than private companies, have effect as if the

following were substituted for the second paragraph thereof :—

"A copy of every balance sheet (including every document required by law to be annexed thereto) which is to be laid before the company in general meeting, together with a copy of the auditors' report, shall, not less than seven days before the date of the meeting, be sent to all persons entitled to receive notices of general meetings of the company, and if the company makes default in complying with the foregoing requirement, the company and every director, manager, secretary or other officer of the company who knowingly and wilfully authorises or permits the default, shall be liable to a fine not exceeding twenty pounds."

(*f*) In subsection (4) the word "either" and the words "or containing such reference to that report as is "required by this section" shall be omitted.

Form of balance sheet.

40.—(1) Every balance sheet of a company shall contain a summary of the authorised share capital and of the issued share capital of the company, its liabilities and its assets, together with such particulars as are necessary to disclose the general nature of the liabilities and the assets of the company and to distinguish between the amounts respectively of the fixed assets and of the floating assets, and shall state how the values of the fixed assets have been arrived at.

(2) There shall be stated under separate headings in the balance sheet, so far as they are not written off—

(*a*) the preliminary expenses of the company; and

(*b*) any expenses incurred in connection with any issue of share capital or debentures; and

(*c*) if it is shown as a separate item in or is otherwise ascertainable from the books of the company, or from any contract for the sale or purchase of any property to be acquired by the company, or from any documents in the possession of the company relating to the stamp duty payable in respect of any such contract or the conveyance of any such property, the amount of the goodwill and of any patents and trademarks as so shown or ascertained.

(3) Where any liability of the company is secured otherwise than by operation of law on any assets of the company, the balance sheet shall include a statement that that liability is so secured, but it shall not be necessary to specify in the balance sheet the assets on which the liability is secured.

(4) Where any of the assets of a company consist of shares in, or amounts owing (whether on account of any loan or otherwise) from a subsidiary company or subsidiary companies, the aggregate amount of those assets, distinguishing shares and indebtedness, shall be set out in the balance sheet of the first-mentioned company separately from all its other assets, and where a company is indebted (whether on account of any loan

or otherwise) to a subsidiary company or subsidiary companies, the aggregate amount of that indebtedness shall be set out in the balance sheet of such company separately from all its other liabilities.

(5) Where a company (in this subsection referred to as " the holding company ") holds shares either directly or through a nominee in a subsidiary company or in two or more subsidiary companies, there shall be annexed to the balance sheet of the holding company a statement, signed by the persons by whom in pursuance of section one hundred and thirteen of the principal Act the balance sheet is signed, stating how the profits and losses of the subsidiary company, or, where there are two or more subsidiary companies, the aggregate profits and losses of those companies, have (so far as they concern the holding company) been dealt with in, or for the purposes of, the accounts of the holding company, and in particular how, and to what extent,—

(i) provision has been made for the losses of any sub-subsidiary company either in the accounts of that company or of the holding company, or of both; and

(ii) losses of any subsidiary company have been taken into account by the directors of the holding company in arriving at the profits and losses of that company as disclosed in its accounts: And if in the case of a subsidiary company the report made by the auditors of the company under subsection (2) of section one hundred and thirteen of the principal Act on the balance sheet of the company does not state without qualification that the auditors have obtained all the information and explanations they have required and that the balance sheet is properly drawn up so as to exhibit a true and correct view of the state of the company's affairs according to the best of their information and the explanations given to them and as shown by the books of the company, the statement which is to be annexed as aforesaid to the balance sheet of the holding company shall contain particulars of the manner in which the report is qualified:

Provided that it shall not be necessary to specify in any such statement the actual amount of the profits or losses of any subsidiary company, or the actual amount of any part of any such profits or losses which has been dealt with in any particular manner.

For the purposes of this subsection the profits or losses of a subsidiary company mean the profits or losses shown in any accounts of the subsidiary company made up to a date within the period to which the accounts of the holding company relate, or, if there are no such accounts of the subsidiary company available at the time when the accounts of the holding company are made up, the profits or losses shown in the last previous accounts of the subsidiary company which became available within that period.

If for any reason the directors of the holding company are unable to obtain such information as is necessary for the preparation of the statement aforesaid, the directors who sign the balance sheet shall so report in writing and their report shall be annexed to the balance sheet in lieu of the statement.

(6) Where the assets of a company consist in whole or in part of shares in another company (whether held directly or through a nominee and whether that other company is a company within the meaning of the principal Act or not) and—

(i) the amount of the shares so held is at the time when the accounts of the holding company are made up more than fifty per cent. of the issued share capital of that other company or such as to entitle the company to more than fifty per cent. of the voting power in that other company; or

(ii) the company has power (not being power vested in it by virtue only of the provisions of a debenture trust deed or by virtue of shares issued to it for the purpose in pursuance of such provisions) directly or indirectly to appoint the majority of the directors or persons occupying the position of director, by whatever name called in that other company,

that other company shall be deemed to be a subsidiary company for the purposes of this section, and the expression "subsidiary company" in this section means a company in the case of which the conditions of this subsection are satisfied.

Where a company the ordinary business of which includes the lending of money holds shares in another company as security only, no account shall for the purpose of determining under this subsection whether that other company is a subsidiary company be taken of the shares so held.

Rights of members and debenture holders to receive copies of balance sheets and reports of directors and auditors.

41.—(1) Any member of a company whether he is or is not entitled to have sent to him copies of the company's balance sheets and any holder of debentures of a company, shall be entitled to be furnished gratis on demand with a copy of the last balance sheet of the company (including every document required by law to be annexed thereto), together with a copy of the report of the company's auditors on the balance sheet.

(2) If where any person makes a demand for a document with which he is by virtue of this section entitled to be furnished, the company fails to comply with the demand within seven days after the making thereof, the company, and every director, manager, secretary and other officer of the company who is knowingly a party to the default, shall be liable to a fine not exceeding five pounds for every day during which the default continues unless it is proved that that person has already made a demand for and been furnished with a copy of the document.

(3) This section shall not apply to a private company.

Amendment of s. 92 of principal Act.

42. Section ninety-two of the principal Act (which limits the time for the issue of certificates of shares, etc.) shall be amended as follows :—

(1) For the words "and within two months after the "registration of a transfer of any such shares, deben- "tures or debenture stock" there shall be substituted the words "and within two months after the date on "which a transfer of any such shares, debentures or "debenture stock (being a transfer duly stamped and "otherwise valid, but not including such a transfer as "the company is for any reason entitled to refuse to "register and does not register) is lodged with the "company";

(2) After subsection (1) there shall be inserted the following subsection :—

"(1A) If a company refuses to register a transfer of any shares, debentures or debenture stock, the company shall, within two months after the date on which the transfer was lodged with the company, send to the transferee notice of the refusal."

(3) After subsection (2) there shall be inserted the following new subsection :—

"(3) If any company on whom a notice has been served requiring the company to make good any default in complying with the provisions of subsection (1) of this section fails to make good the default within ten days after the service of the notice, the court may, on the application of the person entitled to have the certificates or the debentures delivered to him, make an order directing the company and any officer of the company to make good the default within such time as may be specified in the order, and any such order may provide that all costs of and incidental to the application shall be borne by the company or by any officer of the company responsible for the default."

Amendments as to registration of mortgages and charges.

43.—(1) Section ninety-three of the principal Act (which provides for the registration of mortgages and charges created by companies registered in England) shall be amended as follows :—

(*a*) In subsection (1) after paragraph (*f*) there shall be inserted the following paragraphs :—

"(*g*) a mortgage or charge on calls made but not paid;

(*h*) a mortgage or charge on a ship or any share in a ship;

(*i*) a mortgage or charge on goodwill, on any patent or licence under a patent, on any trademark or on any copyright or licence under a copyright ";

(*b*) in subsection (1) after proviso (ii) there shall be inserted the following new proviso :—

" (iiA) where a mortgage or charge comprises property situate in Scotland or Northern Ireland and registration is necessary to make the mortgage or charge valid or effectual according to the law of Scotland or Northern Ireland, as the case may be, the delivery to and the receipt by the registrar of a copy verified in the prescribed manner of the instrument by which the mortgage or charge is created or evidenced, together with a certificate in the prescribed form stating that the mortgage or charge was presented for registration in Scotland or Northern Ireland, as the case may be, on the date on which it was so presented shall, for the purposes of this section, have the same effect as the delivery and receipt of the instrument itself; and "

(*c*) After subsection (1) there shall be inserted the following new subsection :—

" (1A) Where a company registered in England acquires any property which is subject to a mortgage or charge of any such kind as would, if it had been created by the company after the acquisition of the property, have been required to be registered under this section, the company shall cause the prescribed particulars of the mortgage or charge, together with a copy (certified in the prescribed manner to be a correct copy) of the instrument, if any, by which the mortgage or charge was created or is evidenced, to be delivered to the registrar of companies for registration in manner required by this Act within twenty-one days after the date on which the acquisition is completed, and if the company makes default in complying with this provision it shall be liable to a fine of fifty pounds in respect of each day during which the default continues, and every director, manager, secretary or other officer of the company who knowingly and wilfully authorises or permits the default shall be liable to the like penalty ":

Provided that, if the property is situate, and the mortgage or charge was created outside Great Britain, twenty-one days after the date on which the copy of the instrument could in due course of post, and if dispatched with due diligence have been received in the United Kingdom, shall be substituted for twenty-one days after the completion

of the acquisition as the time within which the particulars and the copy of the instrument are to be delivered to the registrar.

(*d*) The said section shall extend to mortgages or charges on property in England created, and mortgages or charges on property in England acquired, after the commencement of this Act by a company incorporated outside England which has an established place of business in England.

(2) Paragraphs (*a*) and (*c*) of subsection (1) of this section shall respectively have effect only in relation to mortgages or charges created, or property acquired, after the commencement of this Act, but it shall be the duty of a company (including a company incorporated, whether under the principal Act or otherwise, outside England which has an established place of business in England) within six months after the commencement of this Act to send to the registrar of companies for registration the prescribed particulars of any mortgage or charge created by the company before the date of the commencement of this Act and remaining unsatisfied at that date, or of any mortgage or charge to which any property acquired by the company before the commencement of this Act is subject, which would, under the provisions of this section, have been required to be registered if it had been created or the property had been acquired after the commencement of this Act, and the registrar shall, on payment of the prescribed fee, enter those particulars on the register kept in pursuance of the said section ninety-three.

If the company fails to comply with the requirements of this subsection, the company and every director, manager, secretary or other officer of the company, or other person who is knowingly a party to the default, shall on conviction be liable to a fine not exceeding fifty pounds for every day during which the default continues, but the failure of the company shall not prejudice any rights which any person in whose favour the mortgage or charge was made may have thereunder.

Section ninety-six of the principal Act (which provides for the rectification of the register of mortgages) shall apply in the case of a mortgage or charge required to be registered by this subsection as it applies to a mortgage or charge required to be registered by section ninety-three of the principal Act.

(3) Section two hundred and twelve of the principal Act (which relates to the effect of a floating charge) shall have effect as though six months were therein substituted for three months.

Amendment of s. 95 of principal Act.

44. For section ninety-five of the principal Act (which relates to the filing of accounts of receivers and managers) there shall be substituted the following section :—

" (1) Every receiver or manager of the property of a company who has been appointed under the powers

contained in any instrument shall, within one month or such longer period as the registrar of companies may allow after the expiration of the period of six months from the date of his appointment and of every subsequent period of six months and within one month after he ceases to act as receiver or manager, file with the registrar of companies an abstract in the prescribed form showing his receipts and his payments during that period of six months, or, where he ceases to act as aforesaid, during the period from the end of the period to which the last preceding abstract related up to the date of his so ceasing, and the aggregate amount of his receipts and of his payments during all preceding periods since his appointment, and shall also, on ceasing to act as receiver or manager, file with the registrar notice to that effect, and the registrar shall enter the notice in the register of mortgages and charges.

(2) Every receiver or manager who makes default in complying with the provisions of this section shall be liable to a fine not exceeding five pounds for every day during which the default continues."

Provisions as to receivers and managers.

45.—(1) If on an application made to the court by the liquidator of a company it appears to the court that any receiver or manager of the property of the company who has been appointed under the powers contained in any instrument has, after being required at any time by the liquidator so to do, failed to render proper accounts of his receipts and payments and to pay over to the liquidator, the amount properly payable to him the court may make an order directing the receiver or manager to make good the default within such time as may be specified in the order.

(2) The court may, on an application made to the court by the liquidator of a company, by order fix the amount to be paid by way of remuneration to any person who, under the powers contained in any instrument, has been appointed as receiver or manager of the property of the company, and may from time to time, on an application made either by the liquidator or by the receiver or manager, vary or amend any order so made.

Amendment of s. 102 of principal Act.

46. Section one hundred and two of the principal Act (which confers on debenture holders the right to inspect the register of debenture holders and of requiring copies of the trust deed) shall be amended as follows:—

(*a*) For the words "with the articles" there shall be substituted the words "with the provisions contained "in the articles or in the debentures or, in the case of "debenture stock, in the stock certificates, or in the "trust deed or other document securing the deben- "tures or debenture stock," and for the words "specified in the articles" there shall be substituted the words "therein specified";

(*b*) At the end of subsection (3) there shall be inserted the words " and the court may by order compel an " immediate inspection of the register or direct that " the copies required shall be sent to the persons " requiring them."

Amendment of s. 104 of principal Act.

47.—(1) Section one hundred and four of the principal Act (which gives power to re-issue redeemed debentures in certain cases) shall have effect as though the following subsections were substituted for subsections (1) and (2) thereof :—

" (1) Where either before or after the passing of this Act a company has redeemed any debentures previously issued, the company, unless any provision to the contrary, whether express or implied, is contained in the articles or in any contract entered into by the company, or unless the company has, by passing a resolution to that effect or by some other act, manifested its intention that the debentures shall be cancelled, shall have, and shall be deemed always to have had, power to re-issue the debentures, either by re-issuing the same debentures or by issuing other debentures in their place, and on such a re-issue the person entitled to the debentures shall have, and shall be deemed always to have had, the same priorities as if the debentures had never been redeemed :

(2) Where a company has power to re-issue debentures which have been redeemed, particulars with respect to the debentures which can be so re-issued shall be included in the balance sheet of the company."

(2) Subsection (5) of the said section one hundred and four from the words " or (*b*) any power " to the end thereof shall be repealed.

(3) Where any debentures which have been redeemed before the date of the commencement of this Act are re-issued subsequently to that date, the re-issue of the debentures shall not prejudice any right or priority which any person would, if this section had not passed, have had under or by virtue of any mortgage or charge created before the date of the commencement of this Act.

Amendments as to investigations of companies' affairs by inspectors.

48.—(1) Section one hundred and nine of the principal Act (which relates to the investigation of the affairs of companies by Board of Trade inspectors) shall be amended as follows :—

(*a*) In subsection (2) after the word " security " there shall be inserted the words " (to an amount not exceeding " one hundred pounds) " :

(*b*) The following subsection shall be substituted for subsection (5) :—

" (5) If any officer or agent of the company refuses to produce to the inspectors any book or

document which it is his duty under this section so to produce, or refuses to answer any question which is put to him by the inspectors with respect to the affairs of the company, the inspectors may certify the refusal under their hand to the court, and the court may thereupon enquire into the case, and after hearing any witnesses who may be produced against or on behalf of the alleged offender and after hearing any statement which may be offered in defence, punish the offender in like manner as if he had been guilty of contempt of the court " :

(*c*) Subsection (7) shall cease to have effect :

(*d*) There shall be added to the section the following new subsections :—

" (7) If from the report it appears to the Board of Trade that any person has been guilty of any offence in relation to the company for which he is criminally liable and that the case is one in which the prosecution ought to be undertaken by the Director of Public Prosecutions, the Board shall refer the matter to him.

(8) If where any matter is referred to the Director of Public Prosecutions under this section he considers that the case is one in which a prosecution ought to be instituted and, further, that it is desirable in the public interest that the proceedings in the prosecution should be conducted by him, he shall institute proceedings accordingly, and it shall be the duty of all officers and agents of the company, past and present (other than the defendant in the proceedings), to give to him all assistance in connection with the prosecution which they are reasonably able to give.

For the purposes of this subsection the expression ' agents ' in relation to a company shall be deemed to include the bankers and solicitors of the company and any persons employed by the company as auditors, whether those persons are or are not officers of the company.

(9) The expenses of and incidental to an investigation under this section (in this subsection referred to as ' the expenses ') shall be defrayed as follows :—

(*a*) Where as a result of the investigation a prosecution is instituted by the Director of Public Prosecutions, the expenses shall be defrayed by the Board of Trade :

(*b*) In any other case the expenses shall be

defrayed by the company unless the Board of Trade think proper to direct, as the Board are hereby authorised to do, that they shall either be paid by the applicants or in part by the company and in part by the applicants :

Provided that—

(i) if the company fails to pay the whole or any part of the sum which it is liable to pay under this subsection, the applicants shall make good the deficiency up to the amount by which the security given by them under this section exceeds the amount (if any) which they have under this subsection been directed by the Board to pay; and

(ii) any balance of the expenses not defrayed either by the company or the applicants shall be defrayed by the Board."

(2) Subsection (3) of section thirteen of the Economy (Miscellaneous Provisions) Act, 1926 (which provides for the issue out of the Bankruptcy and Companies Winding-up (Fees) Account of sums towards meeting the charges estimated by the Board of Trade in respect of salaries and expenses under the principal Act in relation to the winding-up of Companies in England) shall have effect as if expenses incurred by the Board under the said section one hundred and nine were expenses incurred by the Board under the principal Act in relation to the winding-up of companies in England. 16 & 17 Geo. 5. c. 9.

(3) The following shall be substituted for subsection (3) of section one hundred and ten of the principal Act :—

"(3) If any officer or agent of the company refuses to produce to the inspectors any book or document which it is his duty under this section so to produce, or refuses to answer any question which is put to him by the inspectors with respect to the affairs of the company, he shall be liable to be proceeded against in the same manner as if the inspectors had been inspectors appointed by the Board of Trade."

Amendment as to service of process.

49.—(1) Where a company registered in Scotland carries on business in England the process of any court in England may be served on the company by leaving it at or sending it by post to the principal place of business of the company in England addressed to the manager or other head officer in England of the company.

(2) Where process is served on a company under this section, the person issuing out the process shall send a copy thereof by post to the registered office of the company.

Power to acquire shares of shareholders dissenting from scheme or contract approved by majority.

50.—(1) Where a scheme or contract involving the transfer of shares or any class of shares in a company (in this section referred to as "the transferor company") to another company, whether a company within the meaning of the principal Act or not (in this section referred to as "the transferee company"), has within four months after the making of the offer in that behalf by the transferee company been approved by the holders of not less than nine-tenths in value of the shares affected, the transferee company may, at any time within two months after the expiration of the said four months, give notice in the prescribed manner to any dissenting shareholder that it desires to acquire his shares, and where such a notice is given the transferee company shall, unless on an application made by the dissenting shareholder within one month from the date on which the notice was given the court thinks fit to order otherwise, be entitled and bound to acquire those shares on the terms on which under the scheme or contract the shares of the approving shareholders are to be transferred to the transferee company :

Provided that, where any such scheme or contract has been so approved at any time before the commencement of this Act, the court may by order, on an application made to it by the transferee company within two months after the commencement of this Act, authorise notice to be given under this section at any time within fourteen days after the making of the order, and this section shall apply accordingly, except that the terms on which the shares of the dissenting shareholder are to be acquired shall be such terms as the court may by the order direct instead of the terms provided by the scheme or contract.

(2) Where a notice has been given by the transferee company under this section and the court has not, on an application made by the dissenting shareholder, ordered to the contrary, the transferee company shall, on the expiration of one month from the date on which the notice has been given, or, if an application to the court by the dissenting shareholder is then pending, after that application has been disposed of, transmit a copy of the notice to the transferor company and pay or transfer to the transferor company the amount or other consideration representing the price payable by the transferee company for the shares which by virtue of this section that company is entitled to acquire, and the transferor company shall thereupon register the transferee company as the holder of those shares.

(3) Any sums received by the transferor company under this section shall be paid into a separate bank account, and any such sums and any other consideration so received shall be held by that company on trust for the several persons entitled to the shares in respect of which the said sums or other consideration were respectively received.

(4) In this section the expression "dissenting shareholder" includes a shareholder who has not assented to the scheme or contract and any shareholder who has failed or refused to transfer his shares to the transferee company in accordance with the scheme or contract.

Repeal of s. 119 of principal Act.

51. Section one hundred and nineteen of the principal Act (which makes provision with respect to arbitrations between companies and other persons) shall cease to have effect.

Enforcement of duty of company, receiver or liquidator to make returns.

52.—(1) If any company or any receiver of the property of a company or the liquidator of any company on whom a notice has been served requiring the company, the receiver or the liquidator, as the case may be, to make good any default within the meaning of this section fails to make good the default within fourteen days after the service of the notice, the court may, on an application made to the court by any member or creditor of the company, or by the registrar of companies, make an order directing the company and any officer of the company or the receiver or liquidator, as the case may be, to make good the default within such time as may be specified in the order, and any such order may provide that all costs of and incidental to the application shall be borne by the company or by any officers of the company responsible for the default, or by the receiver or liquidator, as the case may be.

(2) Nothing in this section shall be taken to prejudice the operation of any enactments imposing penalties on a company or its officers or on receivers or liquidators in respect of any default.

(3) In this section the expression "default" means, in the case of a company, failure to comply with any provision of the principal Act which requires a company to file with or send to the registrar of companies any return, account, or other document or to give notice to him of any matter, and in the case of a receiver or liquidator, failure to file, deliver or make any return, account or other document, or to give any notice which he is by law required to file, deliver, make or give.

Extension of s. 120 of principal Act to certain re-organisations of share capital, &c.

53.—(1) The expression "arrangement" in section one hundred and twenty of the principal Act (which gives power to a company to make compromises and arrangements with its creditors and members) shall be construed as extending to a re-organisation of the share capital of the company by the consolidation of shares of different classes or by the division of shares into shares of different classes or by both those methods.

(2) An order made under subsection (2) of the said section one hundred and twenty shall have no effect until an office copy of the order has been filed with the registrar of companies, and a copy of every such order shall be annexed to every copy of the memorandum of the company issued after the order has

been made, or, in the case of a company not having a memorandum, of every copy so issued of the instrument constituting or defining the constitution of the company.

If a company makes default in complying with the foregoing provision it shall be liable to a fine not exceeding one pound for each copy in respect of which default is made, and every director, manager, secretary or other officer of the company who knowingly and wilfully authorises or permits the default shall be liable to the like penalty.

(3) In the said subsection (2) the words "and voting" shall be inserted after the word "present."

(4) Section forty-five of the principal Act (which relates to re-organisation of share capital) shall cease to have effect.

Provisions for facilitating reconstruction and amalgamation of companies.

54.—(1) Where an application is made to the court under section one hundred and twenty of the principal Act for the sanctioning of a compromise or arrangement proposed between a company and any such persons as are mentioned in that section, and it is shown to the court that the compromise or arrangement has been proposed for the purposes of or in connection with a scheme for the reconstruction of any company or companies or amalgamation of any two or more companies, and that under the scheme the whole or any part of the undertaking or the property of any company concerned in the scheme (in this section referred to as "a transferor company") is to be transferred to another company (in this section referred to as "the transferee company"), the court may, either by the order sanctioning the compromise or arrangement or by any subsequent order, make provision for all or any of the following matters:—

(*a*) the transfer to the transferee company of the whole or any part of the undertaking and of the property or liabilities of any transferor company;

(*b*) the allotting or appropriation by the transferee company of any shares, debentures, policies, or other like interests in that company which under the compromise or arrangement are to be allotted or appropriated by that company to or for any person;

(*c*) the continuation by or against the transferee company of any legal proceedings pending by or against any transferor company;

(*d*) the dissolution, without winding-up, of any transferor company;

(*e*) the provision to be made for any persons, who within such time and in such manner as the court direct, dissent from the compromise or arrangement;

(*f*) such incidental, consequential and supplemental matters as are necessary to secure that the reconstruction or amalgamation shall be fully and effectively carried out.

(2) Where an order under this section provides for the transfer of property or liabilities, that property shall by virtue of the order be transferred to and vest in, and those liabilities shall by virtue of the order be transferred to and become the liabilities of, the transferee company, and in the case of any property, if the order so directs, freed from any charge which is by virtue of the compromise or arrangement to cease to have effect.

(3) Where an order is made under this section, every company in relation to which the order is made shall cause an office copy thereof to be filed with the registrar of companies within seven days after the making of the order, and if a company makes default in complying with the foregoing provision it shall be liable to a fine not exceeding five pounds for every day during which the default continues, and every director, manager, secretary or other officer of the company who knowingly and wilfully authorises or permits the default shall be liable to the like penalty.

(4) In this section the expression "property" includes property, rights and powers of every description, and the expression "liabilities" includes duties.

(5) Notwithstanding the provisions of subsection (3) of the said section one hundred and twenty, the expression "company" in this section does not include any company other than a company within the meaning of the principal Act.

Amendment as to private companies.

55.—(1) If any company, being a private company, alters its articles in such manner that they no longer include the provisions which, under section one hundred and twenty-one of the principal Act, are required to be included in the articles of a company in order to constitute it a private company for the purposes of that Act, the company shall, as on the date of the alteration, cease to be a private company and shall, within a period of fourteen days after the said date, file with the registrar of companies a prospectus or a statement in the form set out in Part II. of the First Schedule to this Act.

(2) If a company makes default in complying with the requirements of this section, it shall be liable to a fine of fifty pounds in respect of every day during which the default continues, and every director, manager, secretary or other officer of the company who knowingly and wilfully authorises or permits the default shall be liable to the like penalty.

Jurisdiction to wind up companies in England.

56.—(1) The High Court shall have jurisdiction to wind up any company registered in England.

(2) In the case of a company whose registered office is situate within the jurisdiction of the Chancery Court of the County Palatine of Lancaster or the Chancery Court of the County Palatine of Durham, the palatine court shall have

concurrent jurisdiction with the High Court to wind up the company.

(3) Where the amount of the share capital of a company paid up or credited as paid up does not exceed ten thousand pounds, the county court of the district in which the registered office of the company is situate shall, subject to the provisions of subsection (5) of section one hundred and thirty-one of the principal Act, have concurrent jurisdiction with the High Court to wind up the company.

(4) Where a company is formed for working mines within the stannaries and is not shown to be working mines beyond the limits of the stannaries or to be engaged in any other undertaking beyond those limits, or to have entered into a contract for such working or undertaking, the court exercising the stannaries jurisdiction shall, whatever may be the amount of the capital of the company and wherever the registered office of the company is situate, have concurrent jurisdiction with the High Court to wind up the company.

(5) For the purposes of this section the expression "registered office" means the place which has longest been the registered office of the company during the six months immediately preceding the presentation of the petition for winding-up.

Commencement of winding-up by the court.

57.—(1) Where before the presentation of a petition for the winding-up of a company by the court a resolution has been passed authorising the voluntary winding-up of the company, the winding-up of the company shall be deemed to have commenced at the time of the passing of the resolution, and unless the court, on proof of fraud or mistake, thinks fit otherwise to direct, all proceedings taken in the voluntary winding-up shall be deemed to have been validly taken.

(2) Section one hundred and ninety-eight of the principal Act shall cease to have effect.

Amendment of s. 144 of principal Act.

58. Section one hundred and forty-four of the principal Act (which relates to the power of the court to stay a winding-up) shall be amended as follows:—

(*a*) after the words "the application" there shall be inserted the words "of the liquidator or the official receiver or";

(*b*) on any application under the said section the court may, before making an order, require the official receiver to furnish to the court a report with respect to any facts or matters which are in his opinion relevant to the application.

Amendment of s. 146 of principal Act.

59. If in the case of the winding-up of any company by the court in England it appears to the court desirable, with a view to securing the more convenient and economical conduct of the winding-up, that some officer, other than the person

who would by virtue of section one hundred and forty-six of the principal Act be the official receiver, should be the official receiver for the purposes of that winding-up, the court may appoint that other officer to act as official receiver in that winding-up, and the person so appointed shall be deemed to be the official receiver in that winding-up for all the purposes of the principal Act.

Amendment of s. 147 of principal Act.

60.—(1) Section one hundred and forty-seven of the principal Act (which relates to the submission to the official receiver of a statement of affairs) shall apply where a provisional liquidator has been appointed in like manner as it applies where a winding-up order has been made.

(2) The court may by order dispense with the requirements of the said section in any case where it considers such a course desirable.

(3) Subsection (2) of the said section shall have effect as if there were included among the persons who may be required to submit or verify the statement, any person who is, or within one year before the winding-up order or the order appointing the provisional liquidator, as the case may be, was, in the employment of the company and is in the opinion of the official receiver capable of giving the information required, and any person who is, or within the said year was, an officer of or in the employment of a company which is, or within the said year was, an officer of the company to which the statement relates.

Power to make order as to vesting of company's property.

61. Where a company is being wound up by the court, the court may, on the application of the liquidator, by order direct that all or any part of the property whatsoever belonging to the company or held by trustees on its behalf shall vest in the liquidator by his official name, and thereupon the property to which the order relates shall vest accordingly, and the liquidator may, after giving such indemnity, if any, as the court may direct, bring or defend in his official name any action or other legal proceeding which relates to that property or which it is necessary to bring or defend for the purpose of effectually winding-up the company and recovering its property.

Amendment of s. 174 of principal Act.

62. Section one hundred and seventy-four of the principal Act shall be amended as follows:—

In subsection (1) after the words "concerning the" there shall be inserted the words "promotion, formation."

Amendment of s. 175 of principal Act.

63.—(1) It shall be the duty of the official receiver to appear on the hearing of any application which in pursuance of the proviso to subsection (6) of section one hundred and seventy-five of the principal Act may be made by any person for the purpose of having it declared that he is exculpated from any charges against him, and to call the attention of the court to any matters which appear to him to be relevant.

(2) On the hearing of any such application, the official receiver may himself give evidence or call witnesses.

(3) The words "as to the conduct of the examination, but "not as to costs" in subsection (9) of the said section shall cease to have effect.

Amendment of s. 185 of principal Act.

64. Section one hundred and eighty-five of the principal Act (which relates to notices of resolution to wind up voluntarily) shall be amended as follows :—

(*a*) after the word "has" there shall be inserted the words "passed a resolution requiring the company "to be wound up voluntarily or";

(*b*) after the words "it shall" there shall be inserted the words "within seven days after the passing of the "resolution";

(*c*) at the end of the section there shall be inserted the following new subsection :—

"(2) If a company makes default in complying with the provisions of this section, the company and every liquidator of the company and every director, manager, secretary or other officer of the company who knowingly and wilfully authorises or permits the default shall be liable to a fine of five pounds in respect of every day on which the default continues."

Amendment of s. 192 of principal Act.

65. Section one hundred and ninety-two of the principal Act (which gives power to the liquidator of a company to accept shares, &c., as consideration for the sale of the property of a company) shall be amended as follows :—

(1) In subsection (1) after the words "another company" there shall be inserted the words "whether a company "within the meaning of this Act or not";

(2) In subsection (3) the words "at either of the meetings "held for passing and confirming the same" shall cease to have effect and the word "passing" shall be substituted for the word "confirmation."

Amendment of s. 195 of principal Act.

66. Section one hundred and ninety-five of the principal Act (which relates to the final meeting and dissolution of a company) shall be amended as follows :—

(1) The following shall be substituted for subsection (3) :—

"(3) Within one week after the meeting, the liquidator shall send to the registrar of companies a copy of the account, and shall make a return to him of the holding of the meeting and of its date, and if the copy is not sent or the return is not made in accordance with this subsection the liquidator shall be liable to a fine not exceeding five pounds for every day during which the default continues.

"If a quorum is not present at the meeting, the liquidator shall, in lieu of the return hereinbefore mentioned make a return that the meeting was duly summoned and that no quorum was present thereat, and upon such a return being made the provisions of this subsection as to the making of the return shall be deemed to have been complied with."

(2) In subsection (4), for the words "the return shall "forthwith register it" there shall be substituted the words "the account and either of the returns herein- "before mentioned shall forthwith register them."

Amendment as to voluntary winding-up in certain cases.

87.—(1) Subsections (2) to (9), both inclusive, of this section shall have effect in relation to every voluntary winding-up, unless at a meeting of the directors of the company held before the date on which the notices of the meeting at which the resolution for the winding-up of the company is to be proposed are sent out, the directors, or, in the case of a company having more than two directors, the majority of the directors of the company, have made a statutory declaration to the effect that they have made a full inquiry into the affairs of the company, and that having so done they have formed the opinion that the company will be able to pay its debts in full within a period not exceeding twelve months from the commencement of the liquidation, and unless before the said date the declaration so made has been filed with the registrar of companies.

(2) The company shall cause a meeting of the creditors of the company to be summoned for the day, or the day next following the day, on which there is to be held the meeting at which the resolution for winding-up the company is to be proposed, and shall cause the notices of the said meeting of creditors to be sent by post to the creditors simultaneously with the sending of the notices of the said meeting of the company.

The company shall cause notice of the meeting of the creditors to be advertised once in the Gazette and once at least in two local newspapers circulating in the district where the registered office or principal place of business of the company is situate.

(3) The directors of the company shall—

(*a*) cause a full statement of the position of the company's affairs together with a list of the creditors of the company and the estimated amount of their claims to be laid before the meeting of creditors to be held as aforesaid; and

(*b*) appoint one of their number to preside at the said meeting.

(4) It shall be the duty of the director appointed to preside at the meeting of creditors to attend the meeting and preside thereat.

(5) The creditors and the company at their respective meetings to be held as aforesaid may nominate a person to be liquidator for the purpose of winding-up the affairs and distributing the assets of the company, and if the creditors and the company nominate different persons, the person nominated by the creditors shall be liquidator, and if no person is nominated by the creditors the person, if any, nominated by the company shall be liquidator :

Provided that in the case of different persons being nominated any director, member, or creditor of the company may, within seven days after the date on which the nomination was made by the creditors, apply to the court for an order either directing that the person nominated as liquidator by the company shall be liquidator instead of or jointly with the person nominated by the creditors, or appointing some other person to be liquidator instead of the person appointed by the creditors.

(6) The creditors at the meeting to be held as aforesaid or at any subsequent meeting, may, if they think fit, appoint a committee of inspection consisting of not more than five persons, and if such a committee is appointed the company may, either at the meeting at which the resolution for winding-up the company is passed or at any time subsequently in general meeting, appoint such number of persons as they think fit to act as members of the committee not exceeding five in number :

Provided that the creditors may, if they think fit, resolve that all or any of the persons so appointed by the company ought not to be members of the committee of inspection, and, if the creditors so resolve, the persons mentioned in the resolution shall not, unless the court otherwise directs, be qualified to act as members of the committee, and on any application to the court under this provision the court may, if it thinks fit, appoint other persons to act as such members in place of the persons mentioned in the resolution.

Subject to the provisions of this subsection and to general rules, the provisions of section one hundred and sixty of the principal Act (except subsections (1) and (9)) shall apply with respect to a committee of inspection appointed under this section as they apply with respect to a committee of inspection appointed under that Act.

(7) If the meeting of the company at which the resolution for winding-up the company is to be proposed is adjourned and the resolution is passed at an adjourned meeting, any resolution passed at the meeting of the creditors held in pursuance of subsection (2) of this section shall have effect as if it had been passed immediately after the passing of the resolution for winding-up the company.

(8) In the case of every voluntary winding-up to which the provisions of this section apply, the provisions of the principal Act relating to voluntary winding-up shall have effect subject

to the foregoing provisions of this section and to the following modifications :—

(*a*) paragraph (ii) of section one hundred and eighty-six of the principal Act so far as it gives power to appoint liquidators shall not apply, and the power under the said paragraph of fixing the remuneration of liquidators, and the power under paragraph (iii) of that section of sanctioning the continuance of the powers of the directors of the company, shall be exerciseable by the committee of inspection or, if there is no such committee, by the creditors instead of by the company in general meeting :

(*b*) a vacancy occurring in the office of liquidator shall be filled by the creditors instead of in manner provided by section one hundred and eighty-nine of the principal Act :

(*c*) the powers of the liquidator under section one hundred and ninety-two and section two hundred and fourteen of the principal Act (which relate respectively to the power of the liquidator of a company to accept shares as consideration for the sale of the property of the company and to general schemes of liquidation) shall not be exercised except with the sanction either of the court or of the committee of inspection :

(*d*) subsection (2) of section one hundred and ninety-four and section one hundred and ninety-five of the principal Act shall have effect as though the references therein to general meetings of the company included references to meetings of the creditors :

(*e*) paragraph (*b*) of subsection (1) of section two hundred and twenty-two of the principal Act shall have effect as though for the words " as the company by extra- " ordinary resolution directs " there were substituted the words " as the committee of inspection or, if there " is no such committee, as the creditors of the com- " pany may direct."

(9) If default is made—

(*a*) by the company in complying with the requirements of subsection (2) of this section;

(*b*) by the directors of the company in complying with the requirements of subsection (3) of this section;

(*c*) by any director of the company in complying with the requirements of subsection (4) of this section;

the company, directors or director, as the case may be, shall be liable to a fine not exceeding one hundred pounds, and, in the case of default by the company, every director, manager, secretary or other officer of the company who knowingly and wilfully authorises or permits the default shall be liable to the like penalty.

(10) Section one hundred and eighty-eight of the principal Act (which relates to the rights of the creditors of a company in a voluntary winding-up) and section one hundred and ninety of the principal Act (which provides for the delegation of a company's authority to appoint liquidators) shall cease to have effect.

(11) Section two hundred and thirty-seven of the principal Act (which gives power to make general rules with respect to the winding-up of companies in England) shall extend so as to authorise the making of rules for carrying into effect the objects of this section.

Disclaimer of onerous property.

68.—(1) Where any part of the property of a company in liquidation consists of land of any tenure burdened with onerous covenants, of shares or stock in companies, of unprofitable contracts, or of any other property that is unsaleable, or not readily saleable, by reason of its binding the possessor thereof to the performance of any onerous act, or to the payment of any sum of money, the liquidator of the company, notwithstanding that he has endeavoured to sell or has taken possession of the property, or exercised any act of ownership in relation thereto, may, with the leave of the court and subject to the provisions of this section, by writing signed by him, at any time within twelve months after the commencement of the winding-up or such extended period as may be allowed by the court, disclaim the property :

Provided that, where any such property has not come to the knowledge of the liquidator within one month after the commencement of the winding-up, the power under this section of disclaiming the property may be exercised at any time within twelve months after he has become aware thereof or such extended period as may be allowed by the court.

(2) The disclaimer shall operate to determine, as from the date of disclaimer, the rights, interests, and liabilities of the company, and the property of the company, in or in respect of the property disclaimed, but shall not, except so far as is necessary for the purpose of releasing the company and the property of the company from liability, affect the rights or liabilities of any other person.

(3) The court, before or on granting leave to disclaim, may require such notices to be given to persons interested, and impose such terms as a condition of granting leave, and make such other order in the matter as the court thinks just.

(4) The liquidator shall not be entitled to disclaim any property under this section in any case where an application in writing has been made to him by any persons interested in the property requiring him to decide whether he will or will not disclaim, and the liquidator has not, within a period of twenty-eight days after the receipt of the application or such further period as may be allowed by the court, given notice to the applicant that he intends to apply to the court for leave to disclaim, and, in the case of a contract, if the liquidator, after

such an application as aforesaid, does not within the said period or further period, disclaim the contract, the company shall be deemed to have adopted it.

(5) The court may, on the application of any person who is, as against the liquidator, entitled to the benefit or subject to the burden of a contract made with the company, make an order rescinding the contract on such terms as to payment by or to either party of damages for the non-performance of the contract, or otherwise as the court thinks just, and any damages payable under the order to any such person may be proved by him as a debt in the winding-up.

(6) The court may, on an application by any person who either claims any interest in any disclaimed property or is under any liability not discharged by this Act or the principal Act in respect of any disclaimed property and on hearing any such persons as it thinks fit, make an order for the vesting of the property in or the delivery of the property to any persons entitled thereto, or to whom it may seem just that the property should be delivered by way of compensation for such liability as aforesaid, or a trustee for him, and on such terms as the court thinks just, and on any such vesting order being made, the property comprised therein shall vest accordingly in the person therein named in that behalf without any conveyance or assignment for the purpose:

Provided that, where the property disclaimed is of a leasehold nature, the court shall not make a vesting order in favour of any person claiming under the company, whether as under-lessee or as mortgagee by demise, except upon the terms of making that person—

(*a*) subject to the same liabilities and obligations as those to which the company was subject under the lease in respect of the property at the commencement of the winding-up; or

(*b*) if the court thinks fit, subject only to the same liabilities and obligations as if the lease had been assigned to that person at that date;

and in either event (if the case so requires) as if the lease had comprised only the property comprised in the vesting order, and any mortgagee or under-lessee declining to accept a vesting order upon such terms shall be excluded from all interest in and security upon the property, and, if there is no person claiming under the company who is willing to accept an order upon such terms, the court shall have power to vest the estate and interest of the company in the property in any person liable either personally or in a representative character, and either alone or jointly with the company to perform the lessee's covenants in the lease, freed and discharged from all estates, incumbrances and interests created therein by the company.

(7) Any person injured by the operation of a disclaimer under this section shall be deemed to be a creditor of the

company to the amount of the injury, and may accordingly prove the amount as a debt in the winding-up.

Restriction of rights of creditor in execution or attachment.

69.—(1) Where a creditor has issued execution against the goods or lands of a company or has attached any debt due to the company, and the company is subsequently wound up, he shall not be entitled to retain the benefit of the execution or attachment against the liquidator in the winding-up of the company unless he has completed the execution or attachment before the commencement of the winding-up :

Provided that—

(*a*) where any creditor has had notice of a meeting having been called at which there is to be proposed a resolution under section one hundred and eighty-two of the principal Act to wind up the company voluntarily, the date on which the creditor so had notice shall for the purposes of the foregoing provision be substituted for the date of the commencement of the winding-up; and

(*b*) a person who purchases in good faith under a sale by the sheriff any goods of a company on which an execution has been levied shall in all cases acquire a good title to them against the liquidator.

(2) For the purposes of this section an execution against goods shall be taken to be completed by seizure and sale, and an attachment of a debt shall be deemed to be completed by receipt of the debt, and an execution against land shall be deemed to be completed by seizure and, in the case of an equitable interest, by the appointment of a receiver.

(3) In this section and the next following section of this Act the expression " goods " includes all chattels personal, and the expression " sheriff " includes any officer charged with the execution of a writ or other process.

Duties of sheriff as to goods taken in execution.

70.—(1) Where any goods of a company are taken in execution and before the sale thereof or the completion of the execution by the receipt or recovery of the full amount of the levy, notice is served on the sheriff that a provisional liquidator has been appointed or that a winding-up order has been made or that a resolution has been passed under section one hundred and eighty-two of the principal Act, authorising the company to be wound up voluntarily, the sheriff shall, on being so required, deliver the goods and any money seized or received in part satisfaction of the execution to the liquidator, but the costs of the execution shall be a first charge on the goods or money so delivered, and the liquidator may sell the goods, or a sufficient part thereof, for the purpose of satisfying that charge.

(2) Where under an execution in respect of a judgment for a sum exceeding twenty pounds the goods of a company are sold or money is paid in order to avoid sale, the sheriff shall

deduct the costs of the execution from the proceeds of the sale or the money paid and retain the balance for fourteen days, and if within that time notice is served on him of a petition for the winding-up of the company having been presented or of a meeting having been called at which there is to be proposed a resolution for the voluntary winding-up of the company and an order is made or a resolution is passed, as the case may be, for the winding-up of the company, the sheriff shall pay the balance to the liquidator, who shall be entitled to retain it as against the execution creditor.

Property of dissolved company to be bona vacantia.

71. Where a company is dissolved, all property and rights whatsoever vested in or held on trust for the company immediately before its dissolution (including leasehold property but not including property held by the company on trust for any other person) shall, subject and without prejudice to any order which may at any time be made by the court under section two hundred and twenty-three or under subsection (6) of section two hundred and forty-two of the principal Act, be deemed to be bona vacantia and shall accordingly belong to the Crown, or to the Duchy of Lancaster or to the Duke of Cornwall for the time being, as the case may be, and shall vest and may be dealt with in the same manner as other bona vacantia accruing to the Crown, to the Duchy of Lancaster or to the Duke of Cornwall.

Frauds by officers of companies which have gone into liquidation.

72. If any person, being at the time of the commission of the alleged offence an officer of a company which is subsequently ordered to be wound up by the court or subsequently passes a resolution under section one hundred and eighty-two of the principal Act authorising the company to be wound up voluntarily—

(*a*) has by false pretences or by means of any other fraud induced any person to give credit to the company;

(*b*) with intent to defraud creditors of the company, has made or caused to be made any gift or transfer of or charge on, or has caused or connived at the levying of any execution against the property of the company;

(*c*) with intent to defraud creditors of the company, has concealed or removed any part of the property of the company since or within two months before the date of any unsatisfied judgment or order for payment of money obtained against the company;

he shall be guilty of a misdemeanour and shall be liable on conviction on indictment to imprisonment for a term not exceeding two years, or on summary conviction to imprisonment for a term not exceeding twelve months.

Offences by officers of companies in liquidation.

73.—(1) If any person, being a past or present officer of a company which at the time of the commission of the offence is being wound up, whether by the court or voluntarily, or is subsequently ordered to be wound up by the court or passes

a resolution under section one hundred and eighty-two of the principal Act authorising the company to be wound up voluntarily—

(*a*) does not to the best of his knowledge and belief fully and truly discover to the liquidator all the property, real and personal, of the company, and how and to whom and for what consideration and when the company disposed of any part thereof, except such part as has been disposed of in the ordinary way of the business of the company; or

(*b*) does not deliver up to the liquidator, or as he directs, all such part of the real and personal property of the company as is in his custody or under his control, and which he is required by law to deliver up; or

(*c*) does not deliver up to the liquidator, or as he directs, all books, documents, papers, and writings in his custody or under his control belonging to the company and which he is required by law to deliver up; or

(*d*) within twelve months next before the commencement of the winding-up or at any time thereafter conceals any part of the property of the company to the value of ten pounds or upwards, or conceals any debt due to or from the company; or

(*e*) within twelve months next before the commencement of the winding-up or at any time thereafter fraudulently removes any part of the property of the company to the value of ten pounds or upwards; or

(*f*) makes any material omission in any statement relating to the affairs of the company; or

(*g*) knowing or believing that a false debt has been proved by any person under the winding-up, fails for the period of a month to inform the liquidator thereof; or

(*h*) after the commencement of the winding-up prevents the production of any book, document, paper, or writing affecting or relating to the property or affairs of the company; or

(*i*) within twelve months next before the commencement of the winding-up or at any time thereafter, conceals, destroys, mutilates, or falsifies, or is privy to the concealment, destruction, mutilation, or falsification of, any book or document affecting or relating to the property or affairs of the company; or

(*j*) within twelve months next before the commencement of the winding-up or at any time thereafter makes or is privy to the making of any false entry

in any book or document affecting or relating to the property or affairs of the company; or

(*k*) within twelve months next before the commencement of the winding-up or at any time thereafter fraudulently parts with, alters, or makes any omission in, or is privy to the fraudulent parting with, altering, or making any omission in, any document affecting or relating to the property or affairs of the company; or

(*l*) after the commencement of the winding-up or at any meeting of the creditors of the company within twelve months next before the commencement of the winding-up attempts to account for any part of the property of the company by fictitious losses or expenses; or

(*m*) has within twelve months next before the commencement of the winding-up or at any time thereafter, by any false representation or other fraud, obtained any property for or on behalf of the company on credit which the company does not subsequently pay for; or

(*n*) within twelve months next before the commencement of the winding-up or at any time thereafter, under the false pretence that the company is carrying on its business, obtains on credit, for or on behalf of the company, any property which the company does not subsequently pay for; or

(*o*) within twelve months next before the commencement of the winding-up or at any time thereafter pawns, pledges, or disposes of any property of the company which has been obtained on credit and has not been paid for, unless such pawning, pledging, or disposing is in the ordinary way of the business of the company; or

(*p*) is guilty of any false representation or other fraud for the purpose of obtaining the consent of the creditors of the company or any of them to an agreement with reference to the affairs of the company or to the winding-up;

he shall be guilty of a misdemeanour and shall, in the case of the offences mentioned respectively in paragraphs (*m*), (*n*) and (*o*) of this subsection, be liable on conviction on indictment to penal servitude for a term not exceeding five years, or on summary conviction to imprisonment for a term not exceeding twelve months, and in the case of any other offence shall be liable on conviction on indictment to imprisonment for a term not exceeding two years, or on summary conviction to imprisonment for a term not exceeding twelve months:

Provided that it shall be a good defence to a charge under any of paragraphs (*a*), (*b*), (*c*), (*d*), (*f*), (*n*) and (*o*), if the accused proves that he had no intent to defraud, and to a charge under any of paragraphs (*h*), (*i*) and (*j*), if he proves that he

had no intent to conceal the state of affairs of the company or to defeat the law.

(2) Where any person pawns, pledges or disposes of any property in circumstances which amount to a misdemeanour under paragraph (*o*) of subsection (1) of this section, every person who takes in pawn or pledge or otherwise receives the property knowing it to be pawned, pledged, or disposed of in such circumstances as aforesaid shall be guilty of a misdemeanour, and on conviction thereof liable to be punished in the same way as if he had received the property knowing it to have been obtained in circumstances amounting to a misdemeanour.

(3) For the purposes of this section the expression "officer" shall include any person occupying the position of a director or in accordance with whose directions or instructions the directors of a company have been accustomed to act.

Liability where proper accounts not kept.

74.—(1) If in the case of any company which has gone into liquidation it is shown that proper books of account were not kept by the company throughout the period of two years immediately preceding the commencement of the winding-up, every director or other officer of the company who was knowingly a party to or connived at the default of the company shall, unless he shows that he acted honestly or that in the circumstances in which the business of the company was carried on the default was excusable, be liable on conviction on indictment to imprisonment for a term not exceeding one year, or on summary conviction to imprisonment for a term not exceeding six months.

(2) For the purposes of this section, proper books of account shall be deemed not to have been kept in the case of any company if there have not been kept such books or accounts as are necessary to exhibit and explain the transactions and financial position of the trade or business of the company, including books containing entries from day to day in sufficient detail of all cash received and cash paid, and, where the trade or business has involved dealings in goods, statements of the annual stocktakings and (except in the case of goods sold by way of ordinary retail trade) of all goods sold and purchased, showing the goods and the buyers and sellers thereof in sufficient detail to enable those goods and those buyers and sellers to be identified.

Provisions with respect to fraudulent trading.

75.—(1) If in the course of a winding-up it appears that any business of the company has been carried on with intent to defraud creditors of the company or creditors of any other person or for any fraudulent purpose, the court, on the application of the official receiver or the liquidator, or any creditor or contributory of the company, may, if it thinks proper so to do, declare that any of the directors, whether past or present, of the company who were knowingly parties to the carrying on of the business in manner aforesaid shall be

personally responsible, without any limitation of liability, for all or any of the debts or other liabilities of the company as the court may direct.

(2) Where the court makes any such declaration it may give such further directions as it thinks proper for the purpose of giving effect to that declaration, and in particular may make provision for making the liability of any such director under the declaration a charge on any debt or obligation due from the company to him, or on any mortgage or charge or any interest in any mortgage or charge on any assets of the company held by or vested in him, or any company or person on his behalf, or any person claiming as assignee from or through the director, company or person, other than an assignee for valuable consideration (not including consideration by way of marriage) given in good faith and without notice of any of the matters on the ground of which the declaration is made, and may from time to time make such further order as may be necessary for the purpose of enforcing any charge imposed under this subsection.

For the purpose of the foregoing provision the expression " assignee " includes any person to whom or in whose favour by the directions of the director the debt, obligation, mortgage or charge was created issued or transferred or the interest created.

(3) Where any business of a company is carried on with such intent or for such purpose as is mentioned in subsection (1) of this section, every director of the company who was knowingly a party to the carrying on of the business in manner aforesaid, shall be liable on conviction on indictment to imprisonment for a term not exceeding one year.

(4) The court may, in the case of any person in respect of whom a declaration has been made under the foregoing provisions of this section or who has been convicted of an offence under the foregoing provisions of this section, order that that person shall not, without the leave of the court, be a director of or in any way, whether directly or indirectly, be concerned in or take part in the management of a company for such period, not exceeding five years, from the date of the declaration or of the conviction, as the case may be, as may be specified in the order, and if any person acts in contravention of an order made under this subsection he shall, in respect of each offence, be liable on conviction on indictment to imprisonment for a term not exceeding two years, or on summary conviction to imprisonment for a term not exceeding six months or to a fine not exceeding five hundred pounds, or to both such imprisonment and fine.

In this subsection the expression " the court " in relation to the making of an order, means the court by which the declaration was made or the court before which the person was convicted, as the case may be, and in relation to the

granting of leave means any court having jurisdiction to wind up the company.

(5) For the purposes of this section the expression "director" shall include any person who occupies the position of a director or in accordance with whose directions or instructions the directors of a company have been accustomed to act.

(6) The provisions of this section shall have effect notwithstanding that the person concerned may be criminally liable in respect of the matters on the ground of which the declaration is to be made, and where the declaration under subsection (1) of this section is made in the case of a winding-up in England, the declaration shall be deemed to be a final judgment within the meaning of paragraph (*g*) of subsection (1) of section one of the Bankruptcy Act, 1914.

4 & 5 Geo. 5, c. 59.

(7) It shall be the duty of the official receiver or of the liquidator to appear on the hearing of an application for leave under subsection (4) of this section, and on the hearing of an application under that subsection or under subsection (1) of this section the official receiver or the liquidator, as the case may be, may himself give evidence or call witnesses.

Amendment of s. 148 of principal Act.

76.—(1) If where the court in England has made a winding-up order in respect of any company the official receiver, in pursuance of subsection (2) of section one hundred and forty-eight of the principal Act, reports that, in his opinion, a fraud has been committed by any person in the promotion or formation of the company or by any director or other officer of the company in relation thereto since its formation, the court may, on the application of the official receiver, make an order under subsection (4) of the last preceding section of this Act as though the person by whom the fraud is alleged in the report to have been made were a person in respect of whom a declaration has been made under subsection (1) of that section.

(2) The official receiver shall, where he intends to make an application under this section, give not less than ten days' notice of his intention to the person charged with the fraud, and on the hearing of the application that person may appear and himself give evidence or call witnesses.

(3) It shall be the duty of the official receiver to appear on the hearing of any such application and to call the attention of the court to any matters which appear to him to be relevant, and the official receiver may on the hearing himself give evidence or call witnesses.

Prosecution of delinquent directors.

77.—(1) If it appears to the court in the course of a winding-up by, or subject to the supervision of, the court that any past or present director, manager or other officer, or any member, of the company has been guilty of any offence in relation to the company for which he is criminally liable, the court may, either on the application of any person interested

in the winding-up or of its own motion, direct the liquidator either himself to prosecute the offender or to refer the matter to the Director of Public Prosecutions.

(2) If it appears to the liquidator in the course of a voluntary winding-up that any past or present director, manager or other officer, or any member, of the company has been guilty of any offence in relation to the company for which he is criminally liable, he shall forthwith report the matter to the Director of Public Prosecutions and shall furnish to the Director such information and give to him such access to and facilities for inspecting and taking copies of any documents (being information or documents in the possession or under the control of the liquidator and relating to the matter in question) as the Director may require.

Where any such report is made to the Director of Public Prosecutions he may, if he thinks fit, refer the matter to the Board of Trade for further enquiry, and the Board shall thereupon investigate the matter and may if they think it expedient, apply to the court for an order conferring on the Board or any person designated by the Board for the purpose, with respect to the company concerned all such powers of investigating the affairs of the company as are provided by the principal Act in the case of a winding-up by the court.

If on any report to the Director of Public Prosecutions under this subsection it appears to him that the case is not one in which proceedings ought to be taken by him, he shall inform the liquidator accordingly, and thereupon, subject to the previous sanction of the court, the liquidator may himself take proceedings against the offender.

(3) If it appears to the court in the course of a voluntary winding-up that any past or present director, manager or other officer, or any member, of the company has been guilty as aforesaid and that no report with respect to the matter has been made by the liquidator to the Director of Public Prosecutions under the last preceding subsection, the court may, on the application of any person interested in the winding-up or of its own motion, direct the liquidator to make such a report, and on a report being made accordingly the provisions of this section shall have effect as though the report had been made in pursuance of the provisions of the last preceding subsection.

(4) If where any matter is reported or referred to the Director of Public Prosecutions under this section he considers that the case is one in which a prosecution ought to be instituted and, further, that it is desirable in the public interest that the proceedings in the prosecution should be conducted by him, he shall institute proceedings accordingly, and it shall be the duty of the liquidator and of every officer and agent of the company past and present (other than the defendant in the proceedings) to give to him all assistance in connection with the prosecution which he is reasonably able to give.

If any person fails or neglects to give assistance in manner required by this subsection the court may, on the application of the Director of Public Prosecutions, direct that person to comply with the requirements of this subsection, and where any such application is made with respect to a liquidator the court may, unless it appears that the failure or neglect to comply was due to the liquidator not having in his hands sufficient assets of the company to enable him so to do, direct that the costs of the application shall be borne by the liquidator personally.

For the purposes of this subsection the expression " agent " in relation to a company shall be deemed to include any banker or solicitor of the company and any person employed by the company as auditor, whether that person is or is not an officer of the company.

(5) The Board of Trade, with the consent of the Treasury, may direct that the whole or any part of any costs and expenses properly incurred by the liquidator in proceedings duly brought by him under this section shall be defrayed as expenses incurred by the Board under the principal Act in relation to the winding-up of companies in England, and subsection (3) of section thirteen of the Economy (Miscellaneous Provisions) Act, 1926, shall apply accordingly.

Subject to any direction under this subsection and to any mortgages or charges on the assets of the company and any debts to which priority is given by section two hundred and nine of the principal Act all such costs and expenses as aforesaid shall be payable out of those assets in priority to all other liabilities payable thereout.

Provisions as to liability of directors, &c.

78.—(1) Subject as hereinafter provided, any provision, whether contained in the articles of a company or in any contract with a company or otherwise, for exempting any director, manager or other officer of the company from, or indemnifying him against, any liability which by virtue of any rule of law would otherwise attach to him in respect of any negligence, default, breach of duty or breach of trust of which he may be guilty in relation to the company shall be void :

Provided that—

(*a*) in relation to any such provision which is in force at the date of the commencement of this Act, this subsection shall have effect only on the expiration of a period of six months from that date; and

(*b*) nothing in this subsection shall operate to deprive any person of any exemption or right to be indemnified in respect of anything done or omitted to be done by him while any such provision was in force; and

(*c*) notwithstanding anything in this subsection, a company may, in pursuance of any such provision as aforesaid, indemnify any director, manager or other

officer of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under section two hundred and seventy-nine of the principal Act or under this section in which relief is granted to him by the court.

(2) Section two hundred and seventy-nine of the principal Act shall apply to the managers and officers of a company as it applies to the directors of a company, and shall have effect as though for the words " negligence or breach of trust " wherever they occur " there were substituted the words " negli- " gence, default, breach of duty or breach of trust," and the court in determining in pursuance of that section whether any person ought fairly to be excused for any negligence, default, breach of duty, or breach of trust shall take into consideration all the circumstances of the case, including those connected with his appointment.

(3) Where any case to which the said section two hundred and seventy-nine applies is being tried by a judge with a jury, the judge, after hearing the evidence, may, if he is satisfied that the defendant ought in pursuance of the said section to be relieved either in whole or in part from the liability sought to be enforced against him, withdraw the case in whole or in part from the jury and forthwith direct judgment to be entered for the defendant on such terms as to costs or otherwise as the judge may think proper.

(4) Where any person being a director, manager or officer of a company has reason to apprehend that any claim will or might be made against him in respect of any negligence, default, breach of duty or breach of trust, he may apply to the court for relief, and the court on any such application shall have the same power to relieve him as under section two hundred and seventy-nine of the principal Act it would have had if it had been a court before which proceedings against that person for negligence, default, breach of duty or breach of trust had been brought.

Accounts to contain particulars as to loans to directors, &c.

79.—(1) The accounts which in pursuance of this Act are annually to be laid before every company in general meeting shall contain particulars showing—

(*a*) the amount of any loans which during the period to which the accounts relate have been made either by the company or by any other person under a guarantee from or on a security provided by the company to any director or officer of the company, including any such loans which were repaid during the said period; and

(*b*) the amount of any loans made in manner aforesaid to any director or officer at any time before the

period aforesaid and outstanding at the expiration thereof :

Provided that the foregoing provisions shall not apply—

(i) in the case of a company the ordinary business of which includes the lending of money, to a loan made by the company in the ordinary course of its business; or

(ii) to a loan made by the company to any employee of the company if the loan does not exceed two thousand pounds and is certified by the directors of the company to have been made in accordance with any practice adopted or about to be adopted by the company with respect to loans to its employees :

(*c*) the total of the amount paid to the directors as remuneration for their services, inclusive of all fees, percentages, or other emoluments, paid to or receivable by them by or from the company or by or from any subsidiary company :

Provided that this provision shall not apply in relation to a managing director of the company, and in the case of any other director who holds any salaried employment or office in the company there shall not be required to be included in the said total amount any sums paid to him except sums paid by way of directors' fees.

(2) If in the case of any such accounts as aforesaid the requirements of this section are not complied with, it shall be the duty of the auditors of the company by whom the accounts are examined to include in their report on the balance sheet of the company (so far as they are reasonably able to do so) a statement giving the required particulars.

Statement as to remuneration of directors to be furnished to shareholders.

80.—(1) Subject as hereinafter provided the directors of a company shall, on a demand in that behalf made to them in writing by members of the company entitled to not less than one-fourth of the aggregate number of votes to which all the members of the company are together entitled, furnish to all the members of the company within a period of one month from the receipt of the demand a statement, certified as correct, or with such qualifications as may be necessary, by the auditors of the company, showing as respects each of the last three preceding years in respect of which the accounts of the company have been made up the aggregate amount received in that year by way of remuneration or other emoluments by persons being directors of the company, whether as such directors or otherwise in connection with the management of the affairs of the company, and there shall in respect of any such director who is a director of any other company which is in relation to the first-mentioned company a subsidiary

company within the meaning of section forty of this Act, or by virtue of the nomination, whether direct or indirect, of the company a director of any other company be included in the said aggregate amount any remuneration or other emoluments received by him for his own use whether as a director of, or otherwise in connection with the management of the affairs of that other company :

Provided always that—

(*a*) a demand for a statement under this section shall be of no effect if the company within one month after the date on which the demand is made resolve that the statement shall not be furnished; and

(*b*) it shall be sufficient to state the total aggregate of all sums paid to or other emoluments received by all the directors in each year without specifying the amount received by any individual.

(2) In computing for the purpose of this section the amount of any remuneration or emoluments received by any director the amount actually received by him shall, if the company has paid on his behalf any sum chargeable by way of income tax (including super-tax) in respect of the remuneration or emoluments, be increased by the amount of the sum so paid.

(3) If any director fails to comply with the requirements of this section he shall be liable to a fine not exceeding fifty pounds.

(4) In this section and in the last preceding section of this Act, the expression " emoluments " includes fees, percentages and other payments made or consideration given directly or indirectly to a director as such and the money value of any allowances or perquisites belonging to his office.

Disclosure by directors of interest in contracts.

81.—(1) Subject to the provisions of this section, it shall be the duty of any director of a company who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the company to declare the nature of his interest at a meeting of the directors of the company.

(2) In the case of a proposed contract the declaration required by this section to be made by a director shall be made at the meeting of the directors at which the question of entering into the contract is first taken into consideration, or if the director was not at the date of that meeting interested in the proposed contract, at the next meeting of the directors held after he became so interested, and in a case where the director becomes interested in a contract after it is made, the said declaration shall be made at the first meeting of the directors held after the director becomes so interested.

(3) For the purpose of this section a general notice given to the directors of a company by any director to the effect that he is a member of a specified company or firm and is to be regarded as interested in any contract which may, after

the date of the notice, be made with that company or firm shall be deemed to be a sufficient declaration of interest in relation to any contract so made.

(4) Any director who fails to comply with the provisions of this section shall be liable to a fine not exceeding one hundred pounds.

(5) Nothing in this section shall be taken to prejudice the operation of any rule of law restricting directors of a company from having any interest in contracts with the company.

Declaration of law as to payments received by directors for loss of office or on retirement.

82.—(1) It is hereby declared that it is not lawful in connection with the transfer of the whole or any part of the undertaking or property of a company for any payment to be made to any director of the company by way of compensation for loss of office or as consideration for or in connection with his retirement from office unless particulars with respect to the proposed payment, including the amount thereof, have been disclosed to the members of the company and the proposal approved by the company, and where any payment which is hereby declared to be illegal is made to a director of the company the amount received shall be deemed to have been received by him in trust for the company.

(2) Where any payment is to be made as aforesaid to any director of a company in connection with the transfer to any persons, as a result of an offer made to the general body of shareholders, of all or any of the shares in the company, it shall be the duty of that director to take all reasonable steps to secure that particulars with respect to the proposed payment, including the amount thereof, shall be included in or sent with any notice of the offer made for their shares which is given to any members of the company.

(3) If any such director fails to take reasonable steps as aforesaid, or if any person who has been properly required by any such director to include the said particulars in or send them with any such notice fails so to do, he shall be liable to a fine not exceeding twenty-five pounds, and if the requirements of the last foregoing subsection are not complied with in relation to any such payment, any sum received by the director on account of the payment shall be deemed to have been received by him in trust for any persons who have sold their shares as a result of the offer made.

(4) If in connection with any such transfer as aforesaid the price to be paid to any director of the company whose office is to be abolished or who is to retire from office for any shares in a company held by him is in excess of the price which could at the time have been obtained by other holders of the like shares or any valuable consideration is given to any such director, the excess or the money value of the consideration, as the case may be, shall, for the purposes of this section, be deemed to have been a payment made to him by way of compensation for loss of office or as consideration for or in connection with his retirement from office.

(5) Nothing in this section shall be taken to prejudice the operation of any rule of law requiring disclosure to be made with respect to any such payments as are mentioned in this section or with respect to any other like payments made or to be made to the directors of a company.

Provisions as to assignment of office by directors.

83. If in the case of any company provision is made by the articles or by any agreement entered into between any person and the company for empowering a director or manager of the company to assign his office as such to another person, any assignment of office made in pursuance of the said provision shall, notwithstanding anything to the contrary contained in the said provision, be of no effect unless and until it is approved by a special resolution of the company.

Provisions as to undischarged bankrupts acting as directors.

84.—(1) If any person being an undischarged bankrupt acts as director of, or directly or indirectly takes part in or is concerned in the management of, any company including an unregistered company and a company incorporated outside Great Britain which has an established place of business within Great Britain except with the leave of the court by which he was adjudged bankrupt, he shall be liable on conviction on indictment to imprisonment for a term not exceeding two years or on summary conviction to imprisonment for a term not exceeding six months or to a fine not exceeding five hundred pounds or to both such imprisonment and fine:

Provided that a person shall not be guilty of an offence under this section by reason that he, being an undischarged bankrupt, has acted as director of, or taken part or been concerned in the management of, a company, if he was at the passing of this Act acting as director of, or taking part, or being concerned in the management of that company and has continuously so acted, taken part, or been concerned since the passing of this Act and the bankruptcy was prior to the passing of this Act.

(2) The leave of the court for the purposes of this section shall not be given unless notice of intention to apply therefor has been served on the official receiver and it shall be the duty of the official receiver, if he is of opinion that it is contrary to the public interest that any such application should be granted, to attend on the hearing of and oppose the granting of the application.

(3) In this section the expression "official receiver" means the official receiver in bankruptcy.

Companies, &c., disqualified for acting as liquidator, auditor or receiver of a company.

85.—(1) No body corporate (but not including a firm in Scotland) shall, unless acting under an appointment made before the passing of this Act, be qualified to act as liquidator (whether in a winding-up by the court or in a voluntary liquidation), auditor or receiver of the property of a company, and any appointment made in contravention of this provision shall be void.

(2) Any body corporate which in contravention of the provisions of this section acts as such liquidator, auditor or receiver as aforesaid, shall be liable to a fine not exceeding one hundred pounds.

Provisions as to auditors.

86.—(1) No person being the partner or in the employment of any officer of a company shall, unless the company is a private company, be qualified for appointment as auditor of the company.

(2) The following shall be substituted for subsection (5) of section one hundred and twelve of the principal Act:—

"(5) Subject as hereinafter provided, the first auditors of the company may be appointed by the directors at any time before the first annual general meeting, and auditors so appointed shall hold office until that meeting:

Provided that—

(*a*) the company may at a general meeting of which notice has been served on the auditors in the same manner as on members of the company remove any such auditors and appoint in their place any other persons being persons who have been nominated for appointment by any member of the company and of whose nomination notice has been given to the members of the company not less than seven days before the date of the meeting; and

(*b*) if the directors fail to exercise their powers under this subsection, the company in general meeting may appoint the first auditors, and thereupon the said powers of the directors shall cease."

(3) In subsection (7) of the said section one hundred and twelve the words "first annual general meeting" shall be substituted for the words "statutory meeting."

(4) The auditors of a company shall be entitled to attend any general meeting of the company at which any accounts which have been examined or reported on by them are to be laid before the company and to make any statement or explanation they desire with respect to the accounts.

(5) So much of this Act as makes void any provisions contained in the articles of a company or in any contract or otherwise for exempting a director of a company from or indemnifying him against any liability in respect of negligence, default, breach of duty or breach of trust in relation to the company, and as provides that where any person being a director, manager, or officer of a company has reason to apprehend that any claim will or might be made against him in respect of any negligence, default, breach of duty, or breach of trust, he may apply to the court for relief and the provisions of section two hundred and seventy-nine of the principal

Act (which empowers the court to grant relief to directors in certain cases), shall apply to, and in the case of, persons employed by a company as auditors, whether those persons are or are not officers of the company, as they apply to, and in the case of, directors.

Notification that a company is in liquidation.

87.—(1) Where a company is being wound up, whether by the court or voluntarily, or where a receiver or manager of the property of a company has been appointed, every invoice, order for goods or business letter issued by or on behalf of the company or a liquidator of the company or the receiver or manager, being a document on or in which the name of the company appears, shall contain a statement that the company is in liquidation or that a receiver or manager has been appointed, as the case may be.

(2) If default is made in complying with the requirements of this section, the company and every director, manager, secretary or other officer of the company, and every liquidator of the company and every receiver or manager, who knowingly and wilfully authorises or permits the default shall be liable to a fine of twenty pounds.

Amendment of subs. (6) of s. 243 of principal Act.

88. At the end of subsection (6) of section two hundred and forty-three of the principal Act (which provides for the inspection and the issue of certified copies of documents kept by the registrar of companies) there shall be inserted the following proviso :—

> " Provided that, where a company has been dissolved under this Act, the registrar may, at any time after the expiration of two years from the date of the dissolution, direct that any documents in his custody relating to that company may be removed to the Public Record Office, and documents in respect of which any such direction is given shall be disposed of in accordance with the provisions of the Public Record Office Acts, 1838 to 1898, and the rules made thereunder."

Amendment of s. 274 of principal Act.

89.—(1) Section two hundred and seventy-four of the principal Act (which contains certain requirements as to companies incorporated outside Great Britain) shall be extended so as to apply to companies so incorporated which before the commencement of the principal Act established, and at the commencement of this Act continue to have, a place of business within Great Britain, and to all companies incorporated in the Irish Free State or in Northern Ireland which at the commencement of this Act have such a place of business and subsection (1) of that section shall in relation to such a company have effect as if for the reference to one month from the establishment of a place of business there were substituted a reference to one month after the commencement of this Act.

(2) The list of directors required to be filed under the said subsection (1) shall contain such particulars with respect to the directors as are required under section seventy-five of the principal Act to be contained with respect to directors in the register of the directors of a company, and the said subsection shall have effect as if for the reference to the filing of a notice of alteration there were substituted a reference to the filing of a return containing the prescribed particulars of the alteration.

(3) Any document which any company to which the said section two hundred and seventy-four applies is required to file with the registrar of companies, shall be filed with the registrar at the registration office in that part of Great Britain in which the company has established a place of business, and if it has established or establishes a place of business in both parts of Great Britain, the document shall be filed at the registration office in both such parts, and references to the registrar of companies in the said section shall be construed accordingly. Provided that nothing in this section shall operate to require any document to be filed at any registration office if it has been filed at that office before the commencement of this Act.

(4) If any company to which the said section applies ceases to have any place of business in any part of Great Britain, it shall forthwith give notice of the fact to the registrar of companies for that part, and as from the date on which notice is so given the obligation of the company to file any document with the registrar of companies shall cease.

(5) Subsection (4) of the said section shall apply to every company incorporated outside Great Britain which has an established place of business in Great Britain whether or not the company uses the word "Limited" as part of its name, and where the liability of the members of a company to which the said section applies is limited, notice of that fact shall be stated in legible characters in every prospectus inviting subscriptions for its shares or debentures in Great Britain, in all bill-heads, letter paper, notices, advertisements and other official publications of the company in Great Britain, and shall be affixed on every place where it carries on its business.

Further provisions as to companies incorporated abroad.

90.—(1) Where a company to which section two hundred and seventy-four of the principal Act applies makes default in filing with the registrar the name and address of a person resident in Great Britain who is authorised to accept on behalf of the company service of process or notices, or if at any time all the persons whose names and addresses have been so filed are dead or have ceased so to reside, or refuse to accept service on behalf of the company, or for any reason cannot be so served, section one hundred and sixteen of the principal Act shall apply to the company in like manner as it applies to a company registered under that Act with the substitution of any place of business established by the company in Great Britain for the registered office of the company.

(2) Every company to which the said section two hundred and seventy-four applies shall in every calendar year make out a balance sheet in such form, and containing such particulars and including such documents, as under the provisions of this Act it would if it had been a company within the meaning of the principal Act, have been required to make out and lay before the company in general meeting, and file a copy of that balance sheet with the registrar.

If any such balance sheet is in a foreign language there shall be annexed to it a translation thereof in English, certified in the prescribed manner to be a correct translation.

(3) Subsection (3) of the said section two hundred and seventy-four shall cease to have effect.

(4) The expression "director" in the said section two hundred and seventy-four shall in relation to any company include any person in accordance with whose directions or instructions the directors of the company are accustomed to act.

(5) When a company incorporated in the Channel Islands or the Isle of Man establishes a place of business in England or Scotland, all the provisions of the principal Act requiring documents to be forwarded to or filed with the registrar of companies (other than provisions requiring the payment of a fee in respect of the registration of a company) shall apply to the company in like manner as if it were a company registered in England or Scotland, as the case may be, and if the company establishes places of business in both England and Scotland the said provisions shall so apply as if the company were registered in both England and Scotland.

The provisions of this subsection shall apply to any company incorporated as aforesaid which has before the commencement of this Act established a place of business in Great Britain, and at the commencement of this Act continues to have such a place of business, subject to the modification that the time within which documents must be forwarded to, or filed with, the registrar shall run from the commencement of this Act.

Winding-up of foreign companies ceasing to carry on business in Great Britain.

91. Where a company incorporated outside Great Britain which has been carrying on business in Great Britain ceases to carry on business in Great Britain, it may be wound up as an unregistered company under Part VIII. of the principal Act, notwithstanding that it has been dissolved or otherwise ceased to exist as a company under or by virtue of the laws of the country under which it was incorporated.

Restrictions on offering of shares for subscription or sale.

92.—(1) It shall not be lawful for any person to go from house to house offering shares for subscription or purchase to the public or any member of the public.

In this subsection the expression "house" shall not include an office used for business purposes.

(2) Subject as hereinafter provided, it shall not be lawful to make an offer in writing to any member of the public (not

being a person whose ordinary business or part of whose ordinary business it is to buy or sell shares, whether as principal or agent) of any shares for purchase unless the offer is accompanied by a statement in writing (which must be signed by the person making the offer and dated) containing such particulars as are required by this section to be included therein and otherwise complying with the requirements of this section, or, in the case of shares in a company incorporated outside Great Britain, by such a prospectus as complies with the provisions of the next following section of this Act.

Provided that the provisions of this subsection shall not apply—

(*a*) where the shares to which the offer relates are shares which are quoted on, or in respect of which permission to deal has been granted by, any recognised stock exchange in Great Britain and the offer so states and specifies the stock exchange; or

(*b*) where the shares to which the offer relates are shares which a company has allotted or agreed to allot with a view to their being offered for sale to the public; or

(*c*) where the offer was made only to persons with whom the person making the offer has been in the habit of doing regular business in the purchase or sale of shares.

(3) The written statement aforesaid shall not contain any matter other than the particulars required by this section to be included therein, and shall not be in characters less large or less legible than any characters used in the offer or in any document sent therewith.

(4) The said statement shall contain particulars with respect to the following matters—

(*a*) whether the person making the offer is acting as principal or agent, and if as agent the name of his principal and an address in Great Britain where that principal can be served with process;

(*b*) the date on which and the country in which the company was incorporated, and the address of its registered or principal office in Great Britain;

(*c*) the authorised share capital of the company and the amount thereof which has been issued, the classes into which it is divided and the rights of each class of shareholders in respect of capital, dividends and voting;

(*d*) the dividends, if any, paid by the company on each class of shares during each of the three financial years immediately preceding the offer, and if no dividend has been paid in respect of shares of any particular class during any of those years, a statement to that effect;

(*e*) the total amount of any debentures issued by the company and outstanding at the date of the statement, together with the rate of interest payable thereon;

(*f*) the names and addresses of the directors of the company and of any person occupying the position of director of the company;

(*g*) whether or not the shares offered are fully paid up, and, if not, to what extent they are paid up;

(*h*) whether or not the shares are quoted on, or permission to deal therein has been granted by, any recognised stock exchange in Great Britain or elsewhere, and, if so, which, and, if not, a statement that they are not so quoted or that no such permission has been granted;

(*i*) where the offer relates to units, particulars of the names and addresses of the persons in whom the shares represented by the units are vested, the date of and the parties to any document defining the terms on which those shares are held, and an address in Great Britain where that document or a copy thereof can be inspected.

In this subsection the expression "company" means the company by which the shares to which the statement relates were or are to be issued.

(5) If any person acts, or incites, causes or procures any person to act, in contravention of this section, he shall be liable to imprisonment for a term not exceeding six months or to a fine not exceeding two hundred pounds or to both such imprisonment and fine, and in the case of a second or subsequent offence to imprisonment for a term not exceeding twelve months or to a fine not exceeding five hundred pounds, or to both such imprisonment and fine.

(6) Where a person convicted of an offence under this section is a company (whether a company within the meaning of the principal Act or not), every director and every officer concerned in the management of the company shall be guilty of the like offence unless he proves that the act constituting the offence took place without his knowledge or consent.

(7) In this section, unless the context otherwise requires, the expression "shares" means the shares of a company, whether a company within the meaning of the principal Act or not, and includes debentures and units, and the expression "unit" means any right or interest (by whatever name called) in a share, and for the purposes of this section a person shall not in relation to a company be regarded as not being a member of the public by reason only that he is a holder of shares in the company or a purchaser of goods from the company.

(8) If any person is convicted of having made an offer in contravention of the provisions of this section, the court

before which he is convicted may order that any contract made as a result of the offer shall be void, and, where it makes any such order, may give such consequential directions as it thinks proper for the repayment of any money or the retransfer of any shares.

Where the court makes an order under this subsection (whether with or without consequential directions) an appeal against the order and the consequential directions, if any, shall lie to the High Court.

Provisions with respect to prospectuses of foreign companies inviting subscriptions for shares or offering shares for sale.

93.—(1) It shall not be lawful for any person—

(*a*) to issue, circulate or distribute in Great Britain any prospectus offering for subscription shares in or debentures of a company incorporated or to be incorporated outside Great Britain, whether the company has or has not established, or when formed will or will not establish, a place of business in Great Britain, unless—

(i) before the issue, circulation or distribution of the prospectus in Great Britain a copy thereof, certified by the chairman and two other directors of the company as having been approved by resolution of the managing body, has been filed for registration with the registrar of companies;

(ii) the prospectus states on the face of it that the copy has been so filed;

(iii) the prospectus is dated;

(iv) the prospectus otherwise complies with the requirements of this section; or

(*b*) to issue to any person in Great Britain a form of application for shares in or debentures of such a company or intended company as aforesaid unless the form is issued with a prospectus which complies with the provisions of this section:

Provided that this provision shall not apply if it is shown that the form of application was issued in connection with a bonâ fide invitation to a person to enter into an underwriting agreement with respect to the shares or debentures.

(2) Every prospectus to which this section applies must contain particulars with respect to the following matters—

(*a*) the objects of the company and the instrument constituting or defining the constitution of the company, the enactments, or provisions having the force of an enactment, by or under which the incorporation of the company was effected, and an address in Great Britain where the said instrument, enactments or provisions, or copies thereof, and if the same are in a foreign language a translation thereof certified in the prescribed manner, can be inspected;

(*b*) the date on which and the country in which the company was incorporated, and whether the company has established a place of business in Great Britain, and, if so, the address of its principal office in Great Britain;

(*c*) the number of founders or management or deferred shares, if any;

(*d*) the nature and extent of the interest of the holders of any founders or management or deferred shares in the property and profits of the company;

(*e*) subject to the provisions of this section, all the matters specified in subsection (1) of section eighty-one of the principal Act (other than those specified in paragraph (*a*) of the said subsection):

Provided that—

(i) where any prospectus to which this section applies is published as a newspaper advertisement, it shall be a sufficient compliance with the requirement that the prospectus must specify the objects of the company if the advertisement specifies the primary object with which the company was formed; and

(ii) in paragraph (*b*) of the said subsection (1) a reference to the constitution of the company shall be substituted for the reference to the articles.

(3) Subsections (2), (3), (4), (6), (7), (8) and (9) of section eighty-one of the principal Act shall apply in relation to a prospectus to which this section applies as if they were herein re-enacted with the substitution for the references therein to the said section eighty-one of references to subsection (2) of this section, and with the substitution for the reference in subsection (8) to the memorandum of a reference to paragraph (*a*) of subsection (2) of this section.

(4) Section eighty-four of the principal Act (which relates to liability for statements in a prospectus) shall extend to every prospectus to which this section applies.

(5) Where any document by which any shares in or debentures of a company incorporated outside Great Britain are offered for sale to the public would, if the company concerned had been a company within the meaning of the principal Act, have been deemed by virtue of section thirty-two of this Act to be a prospectus issued by the company, that document shall be deemed to be, for the purposes of this section, a prospectus issued by the company.

(6) Any person who is knowingly responsible for the issue, circulation or distribution of any prospectus or for the issue of a form of application for shares or debentures in contravention

of the provisions of subsection (1) of this section shall be liable to a fine not exceeding five hundred pounds.

(7) An offer of shares or debentures for subscription or sale to any person whose ordinary business or part of whose ordinary business it is to buy or sell shares or debentures, whether as principal or agent, shall not be deemed an offer to the public for the purposes of this section.

Giving of professional advice not to constitute a person a director of a company.

94. It is hereby declared that a person shall not be deemed to be within the meaning of any provision in this Act or in any other enactment amending the principal Act a person in accordance with whose directions or instructions the directors of a company are accustomed to act, by reason only that the directors of the company act on advice given by him in a professional capacity.

Saving as to private prosecutors.

95. Nothing in this Act relating to the institution of criminal proceedings by the Director of Public Prosecutions shall be taken to preclude any person from instituting or carrying on any such proceedings.

Saving for privileged communications.

96. Where proceedings are instituted under this Act against any person by the Director of Public Prosecutions, nothing in this Act shall be taken to require any person who has acted as solicitor for the defendant to disclose any privileged communication made to him in that capacity.

Process to compel production of documents kept by registrar not to issue without leave.

97. No process for compelling the production of any document kept by the registrar of companies shall issue from any court except with the leave of that court, and any such process if issued shall bear thereon a statement that it is issued with the leave of the court.

Exemption of certain documents from stamp duty on winding-up of companies. 4 & 5 Geo. 5. c. 59. 3 & 4 Geo. 5. c. 20.

98. Where a company is being wound up by order of the court or is being wound up voluntarily and the winding-up is one to which the provisions of section sixty-seven of this Act apply, section one hundred and forty-eight of the Bankruptcy Act, 1914, and section one hundred and eighty-nine of the Bankruptcy (Scotland) Act, 1913 (which respectively exempt from stamp duty certain documents relating to the estates of bankrupts), shall apply as though the company were a bankrupt and the winding-up were a bankruptcy or a sequestration, and as though for the reference in the said section one hundred and forty-eight of the Bankruptcy Act, 1914, to fees under that Act there were substituted a reference to fees under the principal Act.

Minor amendments.

99. The amendments specified in the second column of the Second Schedule to this Act, being minor amendments of the principal Act and of enactments amending that Act, shall be made in the provisions of that Act and of those enactments specified in the first column of that Schedule.

PROVISIONS RELATING TO SCOTLAND

Amendment of ss. 135 and 136 of principal Act.

100. The following section shall be substituted for section one hundred and thirty-five of the principal Act (which relates to jurisdiction to wind up companies in Scotland), and section one hundred and thirty-six of the principal Act shall have effect as if the words " the Court of Session " were substituted for the words " the court in Scotland " :—

(1) The Court of Session shall have jurisdiction to wind up any company registered in Scotland.

(2) When the Court of Session is in vacation the jurisdiction conferred on that court by this section may, subject to the provisions of this Act, be exercised by the Lord Ordinary on the Bills.

(3) Where the amount of the share capital of a company paid up or credited as paid up does not exceed ten thousand pounds, the sheriff court of the sheriffdom in which the registered office of the company is situate shall have concurrent jurisdiction with the Court of Session to wind up the company :

Provided—

(i) that it shall be lawful to the Court of Session, if it shall appear to the court having regard to the amount of the assets of the company expedient to do so, to remit to any sheriff court any petition presented to the Court of Session for winding up any such company, or to require any such petition presented to a sheriff court to be remitted to the Court of Session;

(ii) that it shall be lawful to the Court of Session to require that any such petition as aforesaid presented to one sheriff court be remitted to another sheriff court; and

(iii) that in a winding up in the sheriff court it shall be lawful for the sheriff court to submit a stated case for the opinion of the Court of Session on any question of law arising in that winding-up.

(4) The Court of Session may from time to time by Act of Sederunt under section two hundred and thirty-eight of this Act regulate the procedure in proceedings under this Act in that court or in the sheriff court, including appeals from the sheriff court.

(5) For the purposes of this section, the expression " registered office " means the place which has longest been the registered office of the company during the six months immediately preceding the presentation of the petition for winding up.

Application to Scotland of s. 151 of principal Act.

101.—(1) Subsection (2) of section one hundred and fifty-one of the principal Act (which relates to the powers of liquidators), in so far as it requires the sanction of the court to the exercise by the liquidator of a company which is being wound up in Scotland, of any power conferred by that subsection shall cease to have effect.

(2) Subsection (3) of the said section shall apply to the exercise by the liquidator in a winding up by the court in Scotland of any power conferred by the said section which the liquidator is enabled by any provision of this Act to exercise without the sanction of the court.

Rules for winding-up in Scotland.

102. The Court of Session shall have power by Act of Sederunt to make general rules for carrying into effect the objects of the principal Act and this Act so far as relates to the winding-up of companies in Scotland, and subsection (2) of section two hundred and thirty-seven of the principal Act shall apply to such general rules in like manner as it applies to general rules made under subsection (1) of that section.

Amendment of s. 208 of principal Act.

103. For section two hundred and eight of the principal Act (which relates to the ranking of claims in Scotland), the following section shall be substituted :—

> In the winding up of a company registered in Scotland, the following provisions of the Bankruptcy (Scotland) Act, 1913, shall so far as is consistent with this Act apply in like manner as they apply in the sequestration of a bankrupt's estate, with the substitution of references to winding up for references to sequestration, of references to the court for references to the sheriff, of references to the liquidator for references to the trustee, and of references to the company for references to the bankrupt, and with any other necessary modifications :—
>
> (*a*) The provisions of sections forty-five to sixty-two regarding voting and ranking for payment of dividends;
>
> (*b*) Sections ninety-six and one hundred and five, which respectively relate to the reckoning of majorities and to the interruption of prescription.

Application to Scotland of s. 210 of principal Act.

104. In the application to Scotland of section two hundred and ten of the principal Act (which relates to fraudulent preferences), the expression " fraudulent preference " shall include any alienation or preference which is voidable by statute or at common law on the ground of insolvency or notour bankruptcy, and the expression " bankruptcy petition " shall mean petition for sequestration.

Amendment of s. 213 of principal Act.

105. Section two hundred and thirteen of the principal Act shall be amended as follows :—

(*a*) The words " by or subject to the supervision of the " court " shall cease to have effect;

(*b*) The following paragraph shall be substituted for paragraph (1) :

(1) The winding up shall in the case of a winding up by the court (except where the order for such winding up was made while the company was being voluntarily wound up) as at the date of its commencement, and in the case of a voluntary winding up (whether or not an order for winding up by or subject to the supervision of the court has afterwards been made) as at the date of the resolution authorising the winding up, be equivalent to an arrestment in execution and decree of furthcoming, and to an executed or completed poinding; and no arrestment or poinding of the funds or effects of the company executed on or after the sixtieth day prior to the date of such commencement or of such resolution, as the case may be, shall be effectual; and those funds or effects or the proceeds of those effects if sold shall be made furthcoming to the liquidator : Provided that any arrester or poinder before the date of such commencement or of such resolution as the case may be, who is thus deprived of the benefit of his diligence shall have preference out of those funds or effects for the expense bonâ fide incurred by him in such diligence.

Application to Scotland of s. 215 of principal Act.

106. So much of subsection (4) of section two hundred and fifteen of the principal Act (which empowers the court to assess damages against delinquent directors and others) as excludes in the case of a winding up in Scotland the provisions of the section as regards promoters and property other than money shall cease to have effect.

Application to Scotland of s. 224 of principal Act.

107. Subsections (1), (2) and (3) of section two hundred and twenty-four of the principal Act (which relates to information as to pending liquidations in England) shall apply in the case of a company being wound up in Scotland in like manner as they apply in the case of a company being wound up in England.

Committees of inspection in winding up in Scotland.

108.—(1) The provisions of subsections (1) and (2) of section one hundred and fifty-two of the principal Act, in so far as they relate to the appointment of a committee of inspection, shall, with the substitution of the liquidator for the official receiver, apply when a winding up order has been made by the court in Scotland in like manner as they apply when a winding up order has been made by the court in England, and the provisions of sections one hundred and fifty-one, one hundred and sixty (except subsection (9) thereof), and two hundred and fourteen of the principal Act, with regard to committees of inspection, shall apply to a committee of inspection appointed in pursuance of this subsection :

Provided that, where the winding-up order has been made on the ground that the company is unable to pay its debts, it shall not be necessary for the liquidator to summon a meeting of the contributories, and any committee of inspection appointed shall consist of creditors or persons holding general powers of attorney from creditors.

(2) A committee of inspection appointed in pursuance of this section or of section sixty-seven of this Act shall have, in addition to the powers and duties conferred and imposed on it by the principal Act or this Act, such of the powers and duties of commissioners on a bankrupt estate as may be conferred and imposed on it by general rules.

Application to Scotland of s. 109 of principal Act.

109. Subsections (7) and (8) of section one hundred and nine of the principal Act as amended by section forty-eight of this Act shall not apply to Scotland, and in lieu thereof the following provision shall have effect :—

If from any report made in pursuance of subsection (6) of the said section it appears to the Board of Trade that any person has been guilty of an offence in relation to the company for which he is criminally liable, the Board of Trade shall refer the matter to the Lord Advocate.

Application to Scotland of certain provisions.

110.—(1) Sections sixty-eight, sixty-nine and seventy of this Act shall not apply in the case of a company being wound up in Scotland.

(2) A person guilty of a misdemeanour under subsection (2) of section seventy-three of this Act shall be liable on conviction on indictment to penal servitude for a period not exceeding seven years, or on summary conviction to imprisonment for a term not exceeding six months or to a fine not exceeding one hundred pounds, or to both such imprisonment and fine.

(3) In its application to Scotland section seventy-seven of this Act shall have effect as if references to the Lord Advocate were substituted for references to the Director of Public Prosecutions and as if the provisions relating to direction to the liquidator to take proceedings or empowering the liquidator to take proceedings were omitted therefrom.

(4) Subsections (2) and (3) of section eighty-four of this Act shall not apply to Scotland, and subsection (1) of the said section shall apply with the substitution for the words " he " was adjudged bankrupt " of the words " sequestration of his " estates was awarded."

(5) Subsection (8) of section ninety-two of this Act shall not apply to Scotland.

(6) In the application to Scotland of subsection (9) of section one hundred and nine of the principal Act as amended by section forty-eight of this Act, and in section ninety-six of this Act, references to a prosecution or to proceedings instituted by the Director of Public Prosecutions shall be

construed as references to a prosecution or proceedings by or on behalf of the Lord Advocate.

Attendance of director of company at meeting of creditors.

111. In the winding up by the court of a company registered in Scotland, the court shall have power to require the attendance of any director or other officer of the company at any meeting of creditors or of contributories or of a committee of inspection for the purpose of giving information as to the trade, dealings, affairs or property of the company.

Unclaimed dividends, &c. to be lodged in bank.

112. When a company registered in Scotland has been wound up, and is about to be dissolved, the liquidator shall lodge in a joint stock bank of issue in Scotland (not being a bank in or of which the liquidator is acting partner, manager, agent or cashier) in the name of the Accountant of Court the whole unclaimed dividends and unapplied or undistributable balances, and the deposit receipts therefor shall be transmitted to the Accountant of Court; and the provisions of section one hundred and fifty-three of the Bankruptcy (Scotland) Act, 1913, so far as consistent with this Act, shall with any necessary modifications, apply to sums lodged in bank in pursuance of this section in like manner as they apply to sums deposited in pursuance of that enactment.

Power of court to stay proceedings against company.

113. If the court, on the application of the liquidator in the voluntary winding up of a company registered in Scotland, so directs, no action or proceeding shall be proceeded with or commenced against the company except by leave of the court, and subject to such terms as the court may impose.

Costs of application for leave to proceed against company being wound up.

114. Where any petition or application for leave to proceed with an action or proceeding against a company which is being wound up in Scotland is unopposed and is granted by the court, the costs of such petition or application shall, unless the court otherwise directs, be added to the amount of the claim of the petitioner or applicant against the company.

Amendment of subs. (6) of s. 243 of principal Act with respect to fees payable in Scotland.

115. Subsection (6) of section two hundred and forty-three of the principal Act (which provides for the issue, on payment of certain fees, of certified copies of or extracts from documents kept by the registrar) shall have effect as if the words " or in " Scotland for each sheet of two hundred words " were omitted therefrom, and in the application to Scotland of the said subsection, a folio shall be deemed to consist of seventy-two words.

Repeal, Short Title, &c.

Repeal of 7 & 8 Geo. 5. c. 18.

116. The Companies (Foreign Interests) Act, 1917, shall cease to have effect.

Application to Northern Ireland.

117. Subsection (1) of section one of this Act shall apply to Northern Ireland with the substitution of " one of His " Majesty's Principal Secretaries of State " for the " Board of " Trade," and the omission of the words " or ' Municipal,' "

and the words "or with any municipality or other local "authority," but except as aforesaid this Act shall not apply to Northern Ireland.

Short title, construction, repeal and commencement. 8 Edw. 7. c. 69.

118.—(1) This Act may be cited as the Companies Act, 1928, and shall be construed as one with the Companies Acts, 1908 to 1917, and those Acts and this Act may be cited together as the Companies Acts, 1908 to 1928.

(2) In this Act the expression "the principal Act" means the Companies (Consolidation) Act, 1908, and references in this Act to the principal Act or to any provision of that Act shall be construed as references to that Act or that provision as amended by any subsequent enactment, including this Act.

(3) The enactments set out in the Third Schedule to this Act are repealed to the extent specified in the third column of that Schedule.

(4) Section ninety-two of this Act shall come into operation on the passing of this Act and the other provisions of this Act shall come into operation on the appointed day, and the appointed day shall be such day as His Majesty may by Order in Council appoint, and different days may be appointed for different purposes and for different provisions of this Act:

Provided that the appointed day for the purposes of the repeal of any particular enactment shall not be earlier than the day fixed as the appointed day for the coming into operation of the corresponding provisions of this Act.

SCHEDULES

FIRST SCHEDULE.

PART I.

Section 36.

Form of Statement in lieu of Prospectus to be filed by a Company which does not issue a Prospectus or which does not go to Allotment on a Prospectus issued.

THE COMPANIES ACTS, 1908 TO 1928.

Statement in lieu of Prospectus filed by

[*Insert the name of the Company.*]

Pursuant to section 36 of the Companies Act, 1928.

Presented for filing by

The nominal share capital of the Company.	£
Divided into - - - - -	Shares of £ each. ,, ,, ,, ,, ,, ,,
Amount (if any) of above capital which consists of redeemable preference shares.	Shares of £ each.
The date on or before which these shares are, or are liable, to be redeemed.	
Names, descriptions and addresses of directors or proposed directors.	
If the share capital of the Company is divided into different classes of shares, the right of voting at meetings of the Company conferred by, and the rights in respect of capital and dividends attached to, the several classes of shares respectively.	
Number and amount of shares and debentures agreed to be issued as fully or partly paid up otherwise than in cash.	1. shares of £ fully paid. 2. shares upon which £ per share credited as paid.
The consideration for the intended issue of those shares and debentures.	3. debenture £ . 4. Consideration.

1ST SCH. —*cont.*

Names and addresses of vendors of property purchased or acquired, or proposed to be purchased or acquired by the Company.	
Amount (in cash, shares, or debentures) payable to each separate vendor.	
Amount (if any) paid or payable (in cash or shares or debentures) for any such property, specifying amount (if any) paid or payable for goodwill.	Total purchase price £ Cash - - £ — Shares - £ Debentures - £ Goodwill - £
Amount (if any) paid or payable as commission for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any shares or debentures in the Company; or	Amount paid. ,, payable.
Rate of the commission - -	Rate per cent.
Estimated amount of preliminary expenses.	£ .
Amount paid or intended to be paid to any promoter. Consideration for the payment -	Name of promoter. Amount £ . Consideration :—
Dates of, and parties to, every material contract (other than contracts entered into in the ordinary course of the business intended to be carried on by the Company or entered into more than two years before the filing of this statement).	
Time and place at which the contracts or copies thereof may be inspected.	
Names and addresses of the auditors of the Company (if any).	
Full particulars of the nature and extent of the interest of every director in the promotion of or in the property proposed to be acquired by the Company, or, where the interest of such a	

director consists in being a partner in a firm, the nature and extent of the interest of the firm, with a statement of all sums paid or agreed to be paid to him or to the firm in cash or shares, or otherwise, by any person either to induce him to become, or to qualify him as, a director, or otherwise for services rendered by him or by the firm in connection with the promotion or formation of the Company.

If it is proposed to acquire any business, the amount, as certified by the persons by whom the accounts of the business have been audited, of the net profits of the business in respect of each of the three financial years immediately preceding the date of this statement provided that in the case of a business which has been carried on for less than three years and the accounts of which have only been made up in respect of two years or one year the above requirement shall have effect as if references to two years or one year, as the case may be, were substituted for references to three years, and in any such case the statement shall say how long the business to be acquired has been carried on.

(Signatures of the persons above-named as directors or proposed directors, or of their agents authorised in writing.)

_____

_____

_____

Date .

NOTE.—In this Schedule the expression " vendor " includes a vendor as defined by section 81 (2) and (3) of the Companies (Consolidation) Act, 1908, and the expression " financial year " has the same meaning as in section 33 of the Companies Act, 1928.

PART II.

1ST SCH. —*cont.* Section 55.

Form of Statement in lieu of Prospectus to be filed by a Private Company on becoming a Public Company.

THE COMPANIES ACTS, 1908 TO 1928.

Statement in lieu of Prospectus filed by

[*Insert the name of the Company.*]

Pursuant to section 55 of the Companies Act, 1928.

Presented for filing by

The nominal share capital of the Company.	£
Divided into - - - - - -	Shares of £ each. " " " " " "
Amount (if any) of above capital which consists of redeemable preference shares.	Shares of £ each.
The date on or before which these share are, or are liable, to be redeemed.	
Names, descriptions and addresses of directors or proposed directors.	
Amount of shares issued - -	Shares
Amount of commissions paid in connection therewith.	
Amount of discount, if any, allowed on the issue of any shares, or so much thereof as has not been written off at the date of the statement.	
Unless more than one year has elapsed since the date on which the Company was entitled to commence business :—	
Amount of preliminary expenses.	£
Amount paid to any promoter	Name of promoter. Amount £ .
Consideration for the payment	Consideration.

If the share capital of the Company is divided into different classes of shares, the right of voting at meetings of the Company conferred by, and the rights in respect of capital and dividends attached to, the several classes of shares respectively.	
Number and amount of shares and debentures issued within the two years preceding the date of this statement as fully or partly paid up otherwise than for cash or agreed to be so issued at the date of this statement.	1. Shares of £ fully paid. 2. Shares upon which £ per share credited as paid.
Consideration for the issue of those shares or debentures.	3. Debenture £ . 4. Consideration.
Names and addresses of Vendors of Property (1) purchased or acquired by the Company within the two years preceding the date of this statement or (2) agreed or proposed to be purchased or acquired by the Company.	
Amount (in cash, shares or debentures) paid or payable to each separate vendor.	
Amount paid or payable in cash, shares or debentures for any such property, specifying the amount paid or payable for goodwill.	Total purchase price £ Cash - - £ —— Shares £ Debentures - £ —— Goodwill - £ ——
Dates of, and parties to, every material contract (other than contracts entered into in the ordinary course of business or entered into more than two years before the filing of this statement).	
Time and place at which the contracts or copies thereof may be inspected.	
Names and addresses of the auditors of the Company.	

1ST SCH. —*cont.*

Full particulars of the nature and extent of the interest of every director in any property purchased or acquired by the Company within the two years preceding the date of this statement or proposed to be purchased or acquired by the Company or, where the interest of such a director consists in being a partner in a firm, the nature and extent of the interest of the firm, with a statement of all sums paid or agreed to be paid to him or to the firm in cash or shares, or otherwise, by any person either to induce him to become, or to qualify him as, a director, or otherwise for services rendered or to be rendered to the Company by him or by the firm.

Rates of the dividends (if any) paid by the Company in respect of each class of shares in the Company in each of the three financial years immediately preceding the date of this statement or since the incorporation of the Company whichever period is the shorter.

Particulars of the cases in which no dividends have been paid in respect of any class of shares in any of those years.

If any of the unissued shares or debentures are to be applied in the purchase of any business the amount, as certified by the persons by whom the accounts of the business have been audited, of the net profits of the business in respect of each of the three financial years immediately preceding the date of this statement, provided that in the case of a business which has been carried on for less than three years and the accounts of which have only been made up in respect of two years or one year the above requirement shall have effect as

if references to two years or one year, as the case may be, were substituted for references to three years, and in any such case the statement shall say how long the business to be acquired has been carried on.	

(Signatures of the persons above-named as directors or proposed directors, or of their agents authorised in writing.)

Date .

NOTE.—In this Form the expression " vendor " includes a vendor as defined by section 81 (2) and (3) of the Companies (Consolidation) Act, 1908, and the expression " financial year " has the same meaning as in section 33 of the Companies Act, 1928.

SECOND SCHEDULE.

MINOR AMENDMENTS. Section 99

Section of Act.	Amendment.
Section 10 - -	In subsection (3) the words " or a company " limited by guarantee " shall be omitted.
Section 20 - -	In subsection (3) the words " and directors " and managers " shall be omitted.
Section 25 - -	In subsection (2) for the words " and manager " there shall be substituted the words " manager, secretary or other officer."
Section 32 - -	The following shall be substituted for subsection (2) :— " (2) Where an application is made under this section, the court may either refuse the application or may order rectification of the register, on payment by the company of any damages sustained by any party aggrieved."

Section of Act.	Amendment.
2ND SCH. —*cont.* Section 46 - -	In subsection (1) after the words "by "shares" there shall be inserted the words "or a company limited by guarantee "and having a share capital."
Section 47 - -	The words "and confirmed" shall be omitted.
Section 52 - -	In subsection (2) for the words "and "manager" there shall be substituted the words "manager, secretary or other "officer."
Section 54 - -	The following section shall be substituted :— "If any director, manager, secretary or other officer of the company— (*a*) wilfully conceals the name of any creditor entitled to object to the reduction; or (*b*) wilfully misrepresents the nature or amount of the debt or claim of any creditor; or (*c*) aids, abets or is privy to any such concealment or misrepresentation as aforesaid, he shall be guilty of a misdemeanour."
Section 61 - -	In subsection (2) the word "passing" shall be substituted for the word "confirmation" in both places where that word occurs. In subsection (3) for the words "or "manager" there shall be substituted the words "manager, secretary or other "officer."
Section 63 - -	The word "limited" shall be omitted wherever that word occurs in the section, in subsection (2) for the words "and "manager" there shall be substituted the words "manager, secretary or other "officer," and at the end of subsection (3) there shall be inserted the following new paragraph :— "If any company makes default in complying with the requirements of paragraph (*b*) or paragraph (*c*) of subsection (1) of this section, the company shall be liable to a fine not exceeding fifty pounds."
Section 64 - -	In subsection (1) for the words "manager, "secretary and other officer" there shall be substituted the words "or manager."

Section of Act.	Amendment.
Section 65 - -	In subsection (3) (*c*) the words "on account of its capital whether from shares or debentures," shall be omitted. (2ND SCH. —*cont.*)
Section 83 - -	At the end there shall be added the following words :— "In this section the expression 'company' means a company limited by shares or a company limited by guarantee and having a share capital, but does not include a private company."
Section 84 - -	Subsection (2) shall cease to have effect.
Section 86 - -	In subsection (1) after the words "not later" there shall be inserted the words "or, in any case where the company is not required to hold a statutory meeting, or where the allotment is made after the holding of the statutory meeting, within one month after the date of the allotment, and not later."
Section 87 - -	In subsection (1) for the words "A company shall not" there shall be substituted the words "A company having a share capital shall not" and paragraph (*d*) shall be omitted.
Section 88 - -	In subsection (1) after the words "limited by shares" there shall be inserted the words "or a company limited by guarantee and having a share capital."
Section 90 - -	At the end of the section there shall be inserted the following new subsection :— "(2) If a company makes default in complying with the requirements of this section, the company and every director, manager, secretary or other officer of the company who knowingly and wilfully authorises or permits the default shall be liable to a fine not exceeding five pounds for every day during which the default continues."
Section 91 - -	In proviso (5) the word "other" shall be substituted for the word "lower," and at the end of the section there shall be inserted the following subsection :— "(2) If default is made in complying with the requirements of proviso (7) to subsection (1) of this section the company and every

	Section of Act.	Amendment.
2ND SCH. —*cont.*	Section 91—*cont.*	director, manager, secretary or other officer of the company who knowingly and wilfully authorises or permits the default shall be liable to a fine not exceeding fifty pounds."
	Section 96 - -	For the words " a judge of the High Court " there shall be substituted the words " the " court," after the words " such mortgage " or charge " there shall be inserted the words " or in a memorandum of " satisfaction," and for the words " the " judge " there shall be substituted the words " the court."
	Section 100 - -	In subsection (1) after the word " keep " there shall be inserted the words " at the " registered office of the company," and after the words " the company " there shall be inserted the words " and all " floating charges on the undertaking or " any property of the company."
	Section 101 - -	In subsection (1), for the words " at all " reasonable times," there shall be substituted the words " during business hours " (subject to such reasonable restrictions " as the company in general meeting may " impose, so that not less than two hours " in each day be allowed for inspection)." In subsection (2) for the words " any judge " of the High Court sitting in chambers or " the judge of the court exercising the " stannaries jurisdiction in the case of " companies subject to that jurisdiction " there shall be substituted the words " the court."
	Section 107 - -	In subsection (1) the word " forthwith " shall be omitted.
	Section 142 - -	After the words " When a winding-up order " has been made " there shall be inserted the words " or a provisional liquidator " has been appointed."
	Section 143 - -	After the words " by the company " there shall be inserted the words " or other- " wise as may be prescribed."
	Section 150 - -	In subsection (1) for the words " in a wind- " ing-up by the court the liquidator " there shall be substituted the words " where a winding-up order has been

Section of Act.	Amendment.	
Section 150—*cont.*	" made or where a provisional liquidator " has been appointed, the liquidator or " the provisional liquidator, as the case " may be."	2ND SCH. —*cont.*
Section 151 - -	In subsection (1) paragraph (*c*) shall be omitted, and for paragraph (*d*) there shall be substituted the following paragraph : " (*d*) to appoint a solicitor or law agent to assist him in the performance of his duties." In subsection (2) after paragraph (*f*) there shall be inserted the following paragraph : " (*ff*) to appoint an agent to do any business which the liquidator is unable to do himself."	
Section 163 - -	At the end of subsection (1) there shall be added the following proviso :— " Provided that, where it appears to the court that it will not be necessary to make calls on or adjust the rights of contributories, the court may dispense with the settlement of a list of contributories."	
Section 172 - -	In subsection (2) after the word " shall " where it first occurs there shall be inserted the words " within fourteen days from " the date thereof."	
Section 174 - -	In subsection (1) for the words " after it has " made a winding-up order " there shall be substituted the words " at any time " after the appointment of a provisional " liquidator or the making of a winding-" up order."	
Section 186 - -	In paragraph (viii) the words " on the " application of a contributory " shall be omitted.	
Section 194 - -	After subsection (2) the following paragraph shall be inserted :— " If any provision of this subsection is not complied with, the liquidator shall be liable to a fine not exceeding ten pounds."	
Section 197 - -	For the words from " if " to " a contributory " (both inclusive), there shall be substituted the words " but in the case " of an application by a contributory, " the court shall be satisfied."	

Section of Act.	Amendment.
2ND SCH. —*cont.* Section 199 - -	The words " by special or extraordinary " resolution " shall be omitted.
Section 209 - -	The following paragraph shall be substituted for paragraph (*d*) of subsection (1) :— " (*d*) unless the company is being wound up voluntarily merely for the purposes of reconstruction or of amalgamation with another company, or has entered into such a contract with insurers as is mentioned in section seven of the Workmen's Compensation Act, 1925, all amounts due in respect of any compensation or liability for compensation under the said Act accrued before the said date. " Where any such compensation is a weekly payment, the amount due in respect thereof shall, for the purposes of this paragraph, be taken to be the amount of the lump sum for which the weekly payment could, if redeemable, be redeemed if the employer made an application for that purpose under the said Act."
	After subsection (1), the following new subsection shall be inserted :— " (1A) Where any payment on account of wages or salary has been made to any clerk, servant, workman or labourer in the employment of a company out of money advanced by some person for that purpose, that person shall in a winding-up have a right of priority in respect of the money so advanced and paid up to the amount by which the sum in respect of which that clerk, servant, workman or labourer would have been entitled to priority in the winding-up has been diminished by reason of the payment having been made."
Section 210 - -	In subsection (2) for the words from " presentation " to " voluntary " (both inclusive) there shall be substituted the words " commencement of the "; and for the words " the act of bankruptcy " there shall be substituted the words " the presentation of the bankruptcy " petition."

Section of Act.	Amendment.
Section 211 - -	The following subsection shall be added at the end :— " (2) The provisions of this section shall so far as relates to any estate or effects of the company situate in England, apply in the case of a company registered in Scotland as it applies in the case of a company registered in England."
Section 213 - -	The following subsection shall be added at the end :— " (2) The provisions of this section shall, so far as relates to any estate or effects of the company situate in Scotland, apply in the case of a company registered in England as it applies in the case of a company registered in Scotland."
Section 222 - -	The following subsection shall be added at the end :— " (3) The power of making general rules under this Act shall include a power to make rules for enabling the Board of Trade to prevent, for such period (not exceeding five years from the winding up) as the Board think proper, the destruction of the books and papers of a company which has been wound up, and for enabling any creditor or contributory of the company to make representations to the Board, and to appeal to the court from any direction which may be given by the Board in the matter. " If any person acts in contravention of any rules made under this section or of any direction of the Board thereunder, he shall be liable to a fine not exceeding one hundred pounds."
Section 223 - -	In subsection (2) after the words " making " of the order " there shall be inserted the words " or such further time as the " court may allow."
Section 225 - -	After the words " High Court " where those words first occur there shall be inserted the words " or of a county court," and after the words " Court of Session " where those words first occur there shall be inserted the words " or of a sheriff court."

	Section of Act.	Amendment.
2ND SCH. —*cont.*	Section 240 - -	In paragraph (3) for the words from "winding up and" to "be paid by the "liquidator" there shall be substituted the words "all such amounts due in "respect of any compensation or liability "for compensation under the Workmen's "Compensation Act, 1925, payable to a "miner or the dependants of a miner as "are given priority by this Act shall." The following paragraph shall be added at the end :— "(4) The provision giving a right of priority to a person who has advanced money for the making of payments on account of wages and salaries shall have effect subject to the modifications contained in this section."
	Section 242 - -	In subsection (1) for the word "shall" there shall be substituted the word "may." In subsection (3) for the words "from the "company to the effect that it" there shall be substituted the words "to the "effect that the company." In subsection (4) for all the words after "six consecutive months" there shall be substituted the words "the registrar "shall publish in the Gazette and send "to the company or the liquidator, if "any, a like notice as is provided in "last preceding subsection." At the end of subsection (5) there shall be inserted the words "and that nothing in "this subsection shall affect the power of "the court to wind up a company the "name of which has been struck off the "register." In subsection (6) for the words "on the "application of the company or member "or creditor" there shall be substituted the words "on an application made by "the company or member or creditor "before the expiration of twenty years "from the publication in the Gazette "of the notice aforesaid," and for the word "thereupon" there shall be substituted the words "upon an office copy of "the order being filed with the registrar." In subsection (7) for the words "letter or "notice under this section" there shall be substituted the words "notice to be

Section of Act.	Amendment.
Section 242—*cont.*	" sent under this section to a liquidator " may be addressed to the liquidator at " his last known place of business, and " a letter or notice to be sent under this " section to a company." (2ND SCH —*cont.*)
Section 267 - -	After the word " members " there shall be inserted the words " and any foreign " partnership, association or company " irrespective of the number of its " members."
Section 282 - -	After the word " Limited " there shall be inserted the words " or any contraction " or imitation of that word."
Section 285 - -	At the end of the definition of debenture there shall be added the words " bonds " and any other securities of a company " whether constituting a charge on the " assets of the company or not."
First Schedule -	In Parts I. and II. of Table B, before the words " other than the memorandum or " the abstract required to be filed with " the registrar by a receiver or manager " or the statement required to be sent to " the registrar by the liquidator in a " winding up in England " there shall be inserted the words " or required to be " sent or forwarded to the registrar."
	In Part II. of Table B, for the first three paragraphs there shall be substituted the following paragraphs :—
	£ s. d.
	" For registration of a company whose number of members as stated in the articles does not exceed 25 - - - - 2 0 0
	" For registration of a company whose number of members as stated in the articles exceeds 25, but does not exceed 100, the above fee of 2*l.* with an additional 1*l.* for every additional 25 members or less after the first 25.

Section of Act.		Amendment.	
2ND SCH. —*cont.*	First Schedule—*cont.*	" For registration of a company whose number of members as stated in the articles exceeds 100 but is not stated to be unlimited, a fee of 5*l.* with an additional 5*s.* for every additional 50 members or less after the first 100.	£ s. d.
	Fifth Schedule -	After the word " auditors " there shall be inserted the following words :— " Specific requirements as to particulars of prospectus	s. 81 "

THIRD SCHEDULE.

Section 118.

Session and Chapter.	Short Title of Act.	Extent of Repeal.
58 & 59 Vict. c. 16.	The Finance Act, 1895.	Section sixteen.
8 Edw. 7. c. 69.	The Companies (Consolidation) Act, 1908.	In subsection (3) of section ten, the words " or a company limited by " guarantee."
		In subsection (3) of section twenty, the words "and directors and " managers."
		Section forty.
		Subsection (3) of section forty-one.
		In subsection (1) of section forty-four the words " or in the case of " a special resolution the con- " firmation."
		Section forty-five.
		Section fifty-six.
		In section sixty-three, the word " limited " wherever it occurs.
		In subsection (3) of section sixty-nine the words " or confirmed."
		In subsection (4) of section seventy, the words " printing or " and the words " or extraordinary."
		In paragraph (*d*) of subsection (1) of section eighty-one, the words " the minimum subscription on " which the directors may pro- " ceed to allotment, and."

3RD SCH. —*cont.*

Session and Chapter.	Short Title of Act.	Extent of Repeal.
8 Edw. 7. c. 69—*cont.*	The Companies (Consolidation) Act, 1908—*cont.*	Section eighty-two. Subsection (2) of section eighty-four. Subsection (7) of section eighty-five. In subsection (1) of section eighty-seven, the words from " and (*d*) " to the end of the subsection. In subsections (1) and (2) of section eighty-nine, the words " whether " absolutely or." In subsection (5) of section one hundred and four the words from " or (*b*) any " to the end of the section. In subsection (1) of section one hundred and seven, the word " forthwith." Subsection (7) of section one hundred and nine. Section one hundred and fourteen. Section one hundred and nineteen. Subsection (2) of section one hundred and twenty-one. Subsections (1) (2) (3) (4) and (8) of section one hundred and thirty-one. Paragraph (*c*) of subsection (1) of section one hundred and fifty-one. In subsection (9) of section one hundred and seventy-five, the words " as to the conduct of the " examination, but not as to " costs." In paragraph (viii) of section one hundred and eighty-six, the words " on the application of a " contributory." Section one hundred and eighty-eight. Section one hundred and ninety. In subsection (3) of section one hundred and ninety-two the words " at either of the meetings " held for passing and confirm- " ing the same." Section one hundred and ninety-eight. In section one hundred and ninety-nine, the words " by special or " extraordinary resolution."

3RD SCH. —*cont.*

Session and Chapter.	Short Title of Act.	Extent of Repeal.
8 Edw. 7. c. 69—*cont.*	The Companies (Consolidation) Act, 1908—*cont.*	In section two hundred and thirteen the words " by or subject to " the supervision of the court."
		In section two hundred and fifteen the words " in Scotland or."
		Section two hundred and seventeen.
		Subsection (3) of section two hundred and seventy-four.
		Schedule two.
7 & 8 Geo. 5. c. 18.	The Companies (Foreign Interests) Act, 1917.	The whole Act.
7 & 8 Geo. 5. c. 28.	The Companies (Particulars as to Directors) Act, 1917.	Section one, subsection (1) of section two, and in section three the words " seventy-five."

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In the United Kingdom.

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OF

Memorandums and Articles of Association

SETTLED BY

D. G. HEMMANT, of the Inner Temple.

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DUTIES AND FEES

To be paid on

INCORPORATION OF COMPANIES

With Limited Liability and Having a Share Capital.

THE following Table indicates the Duties and Fees payable on Registration with Limited Liability of PRIVATE COMPANIES HAVING A SHARE CAPITAL and governed by Special Articles of Association. In the total are included the Deed Stamps of 10s. each payable on the Memorandum and Articles and the Fee Stamps of 5s. which have to be impressed on the Articles and on the following documents, the total amounting to £2:— Notice of Situation of Registered Office (Form No. 4); Particulars Respecting Directors (Form No. 9A); Declaration of Compliance with the Requirements of The Companies (Consolidation) Act, 1908 (Form No. 41):—

NOMINAL SHARE CAPITAL.	*Ad Valorem* Duty on Statement of Capital.	Fee Stamp on Memorandum of Association.	TOTAL DUTY AND FEES.
£100 ..	£1 0 ..	£2 0 ..	£5 0
250 ..	3 0 ..	2 0 ..	7 0
500 ..	5 0 ..	2 0 ..	9 0
1,000 ..	10 0 ..	2 0 ..	14 0
1,500 ..	15 0 ..	2 0 ..	19 0
2,000 ..	20 0 ..	2 0 ..	24 0
3,000 ..	30 0 ..	3 0 ..	35 0
4,000 ..	40 0 ..	4 0 ..	46 0
5,000 ..	50 0 ..	5 0 ..	57 0
6,000 ..	60 0 ..	5 5 ..	67 5
7,000 ..	70 0 ..	5 10 ..	77 10
8,000 ..	80 0 ..	5 15 ..	87 15
9,000 ..	90 0 ..	6 0 ..	98 0
10,000 ..	100 0 ..	6 5 ..	108 5
11,000 ..	110 0 ..	6 10 ..	118 10
12,000 ..	120 0 ..	6 15 ..	128 15
13,000 ..	130 0 ..	7 0 ..	139 0
14,000 ..	140 0 ..	7 5 ..	149 5
15,000 ..	150 0 ..	7 10 ..	159 10
16,000 ..	160 0 ..	7 15 ..	169 15
17,000 ..	170 0 ..	8 0 ..	180 0
18,000 ..	180 0 ..	8 5 ..	190 5
19,000 ..	190 0 ..	8 10 ..	200 10

DUTIES AND FEES &c.—*continued.*

NOMINAL SHARE CAPITAL.	*Ad Valorem* Duty on Statement of Capital.	Fee Stamp on Memorandum of Association.	TOTAL DUTY AND FEES.
£20,000 ..	£200 0 ..	£8 15 ..	£210 15
25,000 ..	250 0 ..	10 0 ..	262 0
30,000 ..	300 0 ..	11 5 ..	313 5
35,000 ..	350 0 ..	12 10 ..	364 10
40,000 ..	400 0 ..	13 15 ..	415 15
45,000 ..	450 0 ..	15 0 ..	467 0
50,000 ..	500 0 ..	16 5 ..	518 5
60,000 ..	600 0 ..	18 15 ..	620 15
70,000 ..	700 0 ..	21 5 ..	723 5
75,000 ..	750 0 ..	22 10 ..	774 10
80,000 ..	800 0 ..	23 15 ..	825 15
90,000 ..	900 0 ..	26 5 ..	928 5
100,000 ..	1,000 0 ..	28 15 ..	1,030 15
150,000 ..	1,500 0 ..	31 5 ..	1,533 5
200,000 ..	2,000 0 ..	33 15 ..	2,035 15
250,000 ..	2,500 0 ..	36 5 ..	2,538 5
300,000 ..	3,000 0 ..	38 15 ..	3,040 15
350,000 ..	3,500 0 ..	41 5 ..	3,543 5
400,000 ..	4,000 0 ..	43 15 ..	4,045 15
450,000 ..	4,500 0 ..	46 5 ..	4,548 5
500,000 ..	5,000 0 ..	48 15 ..	5,050 15
525,000 ..	5,250 0 ..	50 0 ..	5,302 0
600,000 ..	6,000 0 ..	50 0 ..	6,052 0
700,000 ..	7,000 0 ..	50 0 ..	7,052 0
800,000 ..	8,000 0 ..	50 0 ..	8,052 0
900,000 ..	9,000 0 ..	50 0 ..	9,052 0
1,000,000 ..	10,000 0 ..	50 0 ..	10,052 0

And so on at the rate of £1 further Capital Duty for every additional £100 or fraction thereof. £50 is the maximum Fee Stamp imposed on the Memorandum of Association.

Public Companies.—In the case of PUBLIC COMPANIES the following further documents are required, a 5s. Fee Stamp being payable on each:—

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SETTLED BY

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See also List of WINDING-UP FORMS, p. xix.

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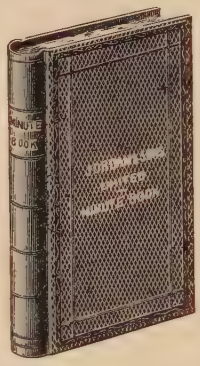

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86	Ditto (190 Accounts)	22/–	32/–
87	Ditto (430 Accounts)	35/–	45/–
88	**Annual List and Summary** (80 Names—10 Returns) *Demy*	23/6	33/6
88A	Ditto (see note)* (30 Names—10 Returns) *F'cap*	13/–	23/–
89	Ditto (120 Names—10 Returns) *Demy*	30/–	40/–
89A	Ditto (see note)* (60 Names—10 Returns) *F'cap*	15/–	25/–
90	Ditto (160 Names—10 Returns) *Demy*	35/–	45/–
90A	Ditto (120 Names—10 Returns) *F'cap*	18/6	28/6
91	Ditto (200 Names—10 Returns) *Demy*	41/6	51/6
91A	Ditto (180 Names—10 Returns) *F'cap*	23/6	33/6
92	Numerical Register of Shares (numbered 1 to 1000)	18/6	30/–
92A	Ditto (numbered 1 to 1500)	22/6	32/6
93	Ditto (numbered 1 to 2000)	26/6	36/6
93A	Ditto (numbered 1 to 2500)	30/–	40/–
94	Ditto (numbered 1 to 3000)	33/6	43/6
94A	Ditto (numbered 1 to 3500)	37/6	47/6
95	Ditto (numbered 1 to 4000)	42/–	52/–
96	Ditto (numbered 1 to 5000)	50/–	60/–
106	**Shareholders' Address Book** (78 Pages)	13/–	23/–
107	Ditto **(Alphabetical)** (78 Pages) ...	15/–	25/–
112	**Register of Returns of Allotments** (10 Returns. 68 Pages)	12/–	22/–
112A	Ditto ... ... *Cloth*, 7/6	—	—
115	**Register of Directors or Managers**	13/–	23/–
115A	Ditto ... ... *Cloth*, 7/6	—	—
118A	**Directors' Attendance Book** ... *Quarto, Limp Roan*, 9/6	—	—
118B	Ditto ... ... *Octavo, ditto* 6/6	—	—
121	**Register of Debentures** (39 Folios)	13/–	23/–
121A	Ditto (23 Folios) ... *Cloth*, 7/6	—	—
122	**Register of Debenture Holders** (with Interest Account at foot of each page). (38 Accounts)	15/–	25/–
123	**Register of Debentures** (39 Folios), with Register of Transfers	15/–	25/–
124	**Register of Transfers of Debentures** (39 Folios)	13/–	23/–
125	**Register of Debenture Holders** (78 Accounts)	13/–	23/–
126	Ditto (with Register of Transfers of Debentures)	15/–	25/–
127	**Register of Debenture Stock Holders** (78 Accounts) ...	13/–	23/–
128	Ditto (with Register of Transfers)	15/–	25/–
129	**Register of Transfers of Debenture Stock** (39 Folios) ...	13/–	23/–
148	**Register of Mortgages and Bonds** (39 Folios)	13/–	23/–
148A	Ditto (23 Folios) *Cloth* 7/6	—	—
151	**Dividend Account Book** (39 Folios)	13/–	23/–
	Loose Leaf Dividend Account Book Ruling size of sheets, 11″ × 13″, 3d. each; 250, 47/-; 500, 90/-		

* Nos. 88A and 89A are supplied for both Public and Private Companies.

Postage extra in all cases.

No.	Registers and Account Books—*continued.*	Half Bound Red Basil Cloth Sides	Whole Bound Red Basil
152	**Debenture Interest Account Book** (39 Folios)	13/–	23/–
153	**Debenture Stock Interest Account Book** (39 Folios) ...	13/–	23/–
160	**Register of Calls** (39 Folios)	13/–	23/–
163	**Register of Seals** (78 Pages)	13/–	23/–
166	**Register of Documents** (39 Folios)	13/–	23/–
169	**Guard Book, for Transfers, Proxies, &c.** *F cap, fitted with Strap and Buckle*	21/–	—
170	Ditto Ditto ... ... *Demy*	31/–	—
172	**Register of Letters Received** (92 Pages) ... *Cloth*, 7/6	13/–	23/-
173	**Register of Letters Dispatched** (92 Pages) *Cloth*, 7/6	13/–	23/–
178	**Transfer Certificate Book** (39 Folios)	13/–	23/–
184	**Register of Receipts and Payments** (46 Folios)	13/–	23/–
187	**Visitors' Book,** *for Clubs* (188 Pages)	15/–	25/-
190	**Register of Probates** (39 Folios)	13/–	23/–
191	**Register of Insurance Policies** ... ... *Cloth*, 7/6	—	—
192	**Register of Guests** (375 Entries) for Hotels, Boarding Houses, &c. ... ... *Cloth Bound*, 7/–	10/–	—
193	**Register of Investments,** sufficient space for 100 Investments for 10 years	15/–	25/–
193A	Ditto Ditto *Cloth*, 10/–	—	—
196	**Petty Cash Book** (*special ruling*), 94 Folios *F'cap Oblong*	13/–	—
200	**Cash Book** (95 Folios), *double cash ruling* *First quality*	13/6	23/6
201	Ditto (191 Folios), *double cash ruling* *First quality*	23/6	33/6
202	Ditto (95 Folios), *double cash ruling* *Second quality*	7/6	—
202A	Ditto (95 Folios), *treble cash ruling*	7/6	—
203	Ditto (143 Folios), *double cash ruling* *Second quality*	8/9	—
204	Ditto (191 Folios), *double cash ruling* *Second quality*	10/–	—
210	**Journal** (190 Pages) ... ... *First quality*	13/6	23/6
211	Ditto (382 Pages) ... ... *First quality*	23/6	33/6
212	Ditto (190 Pages) ... ... *Second quality*	7/6	—
213	Ditto (286 Pages) ... ... *Second quality*	8/9	—
214	Ditto (382 Pages) ... ... *Second quality*	10/–	—
220	**Ledger, Single** (81 Folios and Index), *double cash ruling*...	13/6	23/6
221	Ditto (165 Folios and Index), *double cash ruling*	23/6	33/6
222	Ditto (81 Folios and Index), *double cash ruling*...	7/6	—
222A	Ditto (81 Folios and Index), *single cash ruling* ...	7/6	—
223	Ditto (129 Folios and Index), *double cash ruling*	8/9	—
224	Ditto (165 Folios and Index), *double cash ruling*	10/–	—
226	**Ledger, Double** (162 Pages and Index) ... *First quality*	13/6	23/6
227	Ditto (330 Pages and Index) ... *First quality*	23/6	33/6
228	Ditto (162 Pages and Index) *Second quality*	7/6	—
229	Ditto (258 Pages and Index) *Second quality*	8/9	—
229A	Ditto (330 Pages and Index) *Second quality*	10/–	—
234	**Investors' Account Book,** comprising Cash Book, Investment Ledger and Register of Dividends, General Ledger, Annual Summary of Investments, Memoranda, Address Book and Index ... ... (Size of page $9\frac{3}{4}'' \times 7\frac{1}{2}''$)	21/–	—
	Blank Cheques from Engraved Plate on green tinted security paper 50, 3/6; 100, 5/–		

SHARE CERTIFICATES

Printed from Copperplate on Hand-made Loan paper from engraved plates to any required design.

Printed Letterpress in superior style on Hand-made Loan paper. Book of 25 from 23s.; 50 from 26s. 6d.; 100 from 33s.

Specimens and Estimates submitted upon request. When asking for Specimens the Nominal Capital of the Company, the classes into which it is divided, and the number of Certificates of each class required should be stated.

BLANK SHARE CERTIFICATES

FOR SMALL COMPANIES.

(Single Forms.)

A superior Blank Form of Share Certificate for Name of Company to be written in; printed from copperplate.

524A. For "Fully Paid Shares."
524B. For "Fully Paid Shares."
525. For Shares (adaptable for any class), partly paid.
526. For "Fully Paid Ordinary Shares."
527. For Ordinary Shares, partly paid.
528. For "Fully Paid Preference Shares."
529. For Preference Shares, partly paid.

2d. each.

(Bound Forms.)

The above varieties of superior Blank Share Certificates, bound in books of 25, 4s. 6d.; 50, 9s.; 100, 16s. 6d.

524A. For "Fully Paid Shares"
524B. For "Fully Paid Shares."
525. For Shares (adaptable for any class), partly paid.
526. For "Fully Paid Ordinary Shares."
527. For Ordinary Shares, partly paid.
528. For "Fully Paid Preference Shares."
529. For Preference Shares, partly paid.

If desired blank Certificates can be supplied with the name of the Company specially printed. Price per book of 25, 13s. 6d.; 50, 19s. 6d.; 100, 25s.

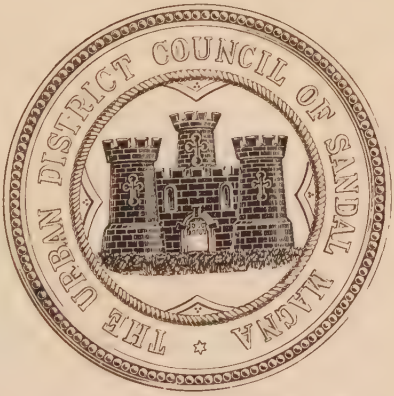
Postage extra in all cases.

SEALS

For Companies, Corporations, and Notaries.

JORDAN & SONS, LIMITED, are noted for the high quality of and artistic taste displayed in the Seals designed and engraved by them.

They have exceptional facilities for the rapid execution of orders in this Department, and can supply Seals, where necessary, at exceedingly short notice.



116 to 118 CHANCERY LANE, LONDON, W.C. 2.

AND 13 BROAD STREET PLACE, E.C. 2.

COMMON SEAL

Engraved and Fitted to Lever Press

similar to this

From **£1 7s. 6d.**

Second Quality Press

From **£1 2s. 6d.**

COMMON SEAL

Engraved and Fitted to Lever Press

similar to this,

From **£2 15s.**

EXTRA DEEP PATTERN PRESS

allowing SIX INCHES space from centre of die to the back of Press.

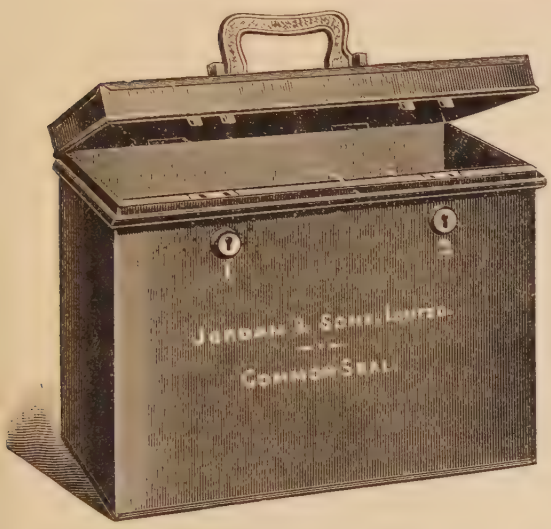
Seals Engraved and Fitted to this Press

From **£3 15s. 0d.**

NOTE.—Prices subject to market fluctuations. Carriage extra.

116 to 118 CHANCERY LANE, LONDON, W.C. 2.

AND 13 BROAD STREET PLACE, E.C. 2.



Japanned Cases for Seals.

THESE Cases are for the purpose of securing the Seals of Companies and Corporations from use by unauthorised persons, to keep the Seals free from dust, and to enable them to be easily carried from place to place. They are fitted with two good four-lever locks, with duplicate keys to each, and are stocked in various sizes. Cases of special dimensions can be supplied in a few days.

SIZES OF STOCK SEAL CASES

	Length.		Width.		Depth.		s.	d.
No. 1	9 in.	×	3½ in.	×	4¾ in.	...	**25**	**0**
No. 2	10 in.	×	4 in.	×	5 in.	...	**30**	**6**
No. 2A	10 in.	×	4 in.	×	8 in.	...	**32**	**6**
No. 3	12 in.	×	4½ in.	×	6 in.	...	**37**	**6**
No. 4	13 in.	×	5¼ in.	×	7¼ in.	...	**42**	**6**

Carriage extra. All **Inside** Measurements.

Brass or Bronze Name Plates.

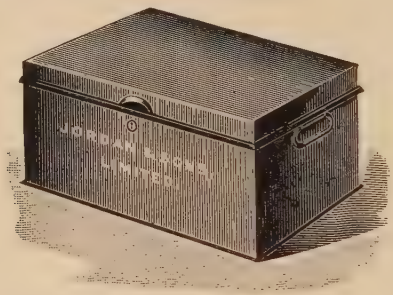
Sketches and Estimates for Engraving Flat or Curved Name Plates will be submitted on receipt of particulars as to wording and size of Plate desired and any Special Fitting desired.

116 to 118 CHANCERY LANE, LONDON, W.C. 2.
AND 13 BROAD STREET PLACE, E.C. 2.

DEED BOXES.

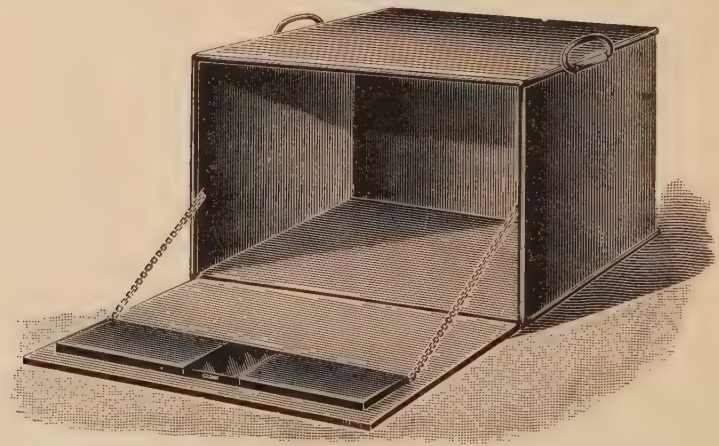
The constant fluctuations of the Metal Market render the publication of prices inadvisable, but quotations for any size and style of box will be made on request. It is only necessary to quote number, to indicate size, and to state whether Lift-up Lid or Fall Front is required.

LIFT-UP LIDS.



Length. Width. Depth.	Length. Width. Depth.	Length. Width. Depth
No. **1**, 12in. × 8in. × 6in.	No. **4**, 16in. × 12in. × 10in.	No. **7**, 23in. × 16in. × 14in.
No. **2**, 13in. × 9in. × 8in.	No. **5**, 18in. × 13in. × 11in.	No. **8**, 26in. × 18in. × 16in.
No. **3**, 14in. × 10in. × 9in.	No. **6**, 20in. × 14in. × 12in.	No. **9**, 28in. × 20in. × 17in.

FALL FRONTS.



Length. Depth. Height.	Length. Depth. Height.	Length. Depth. Height
No. **2**, 16in. × 12in. × 12in.	No. **5**, 20in. × 14in. × 12in.	No. **8**, 26in. × 18in. × 18in.
No. **4**, 18in. × 14in. × 12in.	No. **6**, 20in. × 14in. × 14in.	No. **9**, 28in. × 20in. × 20in.
	No. **7**, 23in. × 16in. × 16in.	

COMPLETE LIST OF COMPANY FORMS

Under The Companies Acts, 1908 to 1917.

Printed and Published by

JORDAN & SONS, LIMITED.

REQUIRED ON INCORPORATION.

1. Memorandum of Association of Company Limited by Shares. (Blank skeleton Form.) 2d. each.

See also details of Draft Forms of Memorandum and Articles on page ii.

9a. Particulars respecting Directors. 2d. each.
(Any subsequent change should be notified on Form 9.)

14. Notice of Consent to take Name of Existing Company. 2d. each.

25. Statement of Nominal Capital. 2d. each.

41. Declaration of Compliance with The Companies (Consolidation) Act, 1908, in respect of matters precedent and incidental to Registration. 2d. each.

42. Consent to Act as Director. (For Public Companies only.) 2d. each.

42a. Contract by Director to Take and Pay for Qualification Shares. (For Public Companies only.) 2d. each.

43. List of Persons who have Consented to act as Directors. (For Public Companies only.) 2d. each.

REQUIRED BEFORE COMMENCING BUSINESS.

4. Notice of Situation of Registered Office. 2d. each.
(Any subsequent change should be notified on Form No. 5.)

44. Declaration of Compliance by Company issuing Prospectus. 2d. each.

44a. Declaration of Compliance by Company filing Statement in Lieu of Prospectus. (Where Prospectus is not issued.) 2d. each.

55. Statement in Lieu of Prospectus. 3d. each.

Postage extra in all cases.

REQUIRED ON APPLICATION AND ALLOTMENT AND FOR CALLS ON SHARES.

45. Return of Allotments—front sheets. 2d. each.

45a. Ditto—continuation sheets. 2d. each.

52. Particulars of Contract (when Shares allotted otherwise than for Cash and there is no Agreement in writing). 3d. each.

58. Statement as to Commission in respect of Shares. 2d. each.

502. Application for Shares with Receipt attached. 1s. dozen.

503. Letter of Allotment of Shares, with Receipt attached. 1d. each.

504. Letter of Allotment of Shares, with Receipt attached, and impressed with 1d. stamp (when the nominal value of the Shares allotted is under £5). 2d. each.

505. Letter of Allotment of Shares, with Receipt attached, and impressed with 6d. stamp (when the nominal value of the Shares allotted is £5 or more). 7d. each.

506. Notice of Call on Shares, with Receipt. 1d. each.

507. Notice of Instalment due on Shares, with Receipt. 1s. dozen.

508. Letter of Regret that no Allotment can be made, with Warrant attached returning Deposit. 1d. each.

509. Certificate of Registration of Transfer of Shares. 2d. each.

541. Letter of Nomination of Shares. 1d. each.

542. Letter of Renunciation of Shares. 1d. each.

543. Letter of Request of Executors to be Registered as Members. 2d. each.

REQUIRED IN CONNECTION WITH DEBENTURES.

A. Draft Form of Trust Deed for securing an issue of Debentures —Form A. 3s. 6d. each.

B. Draft Form of Trust Deed for securing an issue of Debenture Stock—Form B. 3s. 6d. each.

47. Particulars for registration of Mortgage or Charge. 2d. each.

47a Particulars for registration of a series of Debentures. 2d. each.

48 Particulars for registration of a further issue of Debentures in Registered Series. 2d. each.

Postage extra in all cases.

49. Memorandum of Satisfaction of Mortgage or Charge. 2d. each.
511. Letter of Allotment of Debentures, impressed with 6d. Stamp, with Receipt. 7d. each.
512. Letter of Allotment of Debenture Stock, impressed with 6d. Stamp, with Receipt. 7d. each.
520. Debenture forming part of a Series (Blank Form for Name of Company to be written in). 6d. each.
520. Debenture forming part of a series (as above) printed on hand-made Loan paper 1s. each.
520a Debenture (Single, printed on hand-made Loan paper.) 1s. each.
521. Application for Debentures, with Receipt attached. 1d. each.
522. Application for Debenture Stock. 1d. each.
533. Transfer of Debentures. 1d. each.

ANNUAL RETURN OF CAPITAL AND MEMBERS (Form E).

6a1. Annual Return for Public Company—front sheet and one continuation sheet. 4d. each.
8a. List of Members—being continuation sheet for above. 2d. each.
6a. Annual Return for Public Company—ruled for use with Addressing Machine. 4d. each.
8a. List of Members—being continuation sheet for above. 2d. each.
8a. Ditto—being continuation sheet on thin paper to admit of carbon copy being taken. 2d. each.
6*. Annual Return for Private Company. 3d. each.
8a. List of Members—being continuation sheet for above. 2d. each.
6b. Certificates pursuant to Sub-Section 3 of Section 1 of The Companies Act, 1913. 1d. each.

WINDING-UP FORMS.

4w. Petition for Winding Up. 3d. each.
9w. Affidavit Verifying Petition. 2d. each.
9x. Ditto (by Limited Company). 2d. each.
15. Return of Final Winding-up Meeting. 2d. each.
39a. Notice of Appointment of Liquidator. 2d. each.
43w. Notice to Settle List of Contributories. 2d. each.
45w. Certificate of Final Settlement of List of Contributories. 2d. each.
45x. First Schedule to Certificate 45w. First Part. 2d. each.
45y. Ditto. Second Part. 2d. each.
45z. Second Schedule to Certificate 45w. 2d. each.
47w. Supplemental List of Contributories. 2d. each.
48w. Affidavit of Service of Notice on Contributories. 2d. each.

Postage extra in all cases.

53w. Notice of Call to be sent to Contributories. 2d. each.
53. Notice as to Appointment of Receiver or Manager. 2d. each.
57. Receiver's or Manager's Abstract of Receipts and Payments. 2d. each.
57b. Ditto. Continuation sheets. 2d. each.
57a. Notice on Ceasing to Act as Receiver or Manager. 2d. each.
63. Proof of Debt, General Form. 3d. each.
63a. Ditto. (Voluntary Liquidation.) 2d. each.
71a. Notice to Creditors of Dividend. (Voluntary Liquidation.) 2d. each.
80w. Form of General Proxy. (Compulsory Winding Up.) 1d. each.
Ditto. (Voluntary Winding Up.) 1d. each.
81w. Form of Special Proxy. (Compulsory Winding Up.) 1d. each.
Ditto. (Voluntary Winding Up.) 1d. each.
92. Liquidator's Statement of Receipts and Payments—front sheets. 2d. each.
92a. Ditto—continuation sheets. 2d. each.
93. Affidavit Verifying Liquidator's Statement of Account. 2d. each.
94. Liquidator's Trading Account—front sheets. 2d. each.
94a. Ditto—continuation sheets. 2d. each.
95. List of Dividends or Composition—front sheets. 2d. each.
95a. Ditto—continuation sheets. 2d. each.
96. List of Amounts Paid or Payable to Contributories—front sheets. 2d. each.
96a. Ditto—continuation sheets. 2d. each.
113. Extraordinary Resolution to Wind Up. 2d. each.
113a. Resolution of Creditors passed at Meeting under Section 188. 2d. each.
114. Notice of Creditors' Meeting pursuant to Section 188 of The Companies (Consolidation) Act, 1908 (quarto). 1d. each.
115. Ditto. In form for *London Gazette*. 2d. each.
116. Notice to Creditors to send in Particulars of Debts or Claims. 2d. each.
116a. Combined Notice of Meeting of Creditors and to send in Particulars of Debts or Claims (for *London Gazette*). 2d. each.
116b. Ditto Ditto (quarto). 1d. each.
117. Notice of Final Winding-up Meeting (to Shareholders) (quarto). 1d. each.
118. Notice of Final Winding-up Meeting (for *London Gazette*). 2d. each.
L.R. 1. Summary of Liquidators' Account (Rules 173 (1)). Draft Form. 1d. each.

Postage extra in all cases.

FORMS FOR USE OF COMPANIES INCORPORATED OUTSIDE THE UNITED KINGDOM

AND HAVING A PLACE OF BUSINESS IN THE UNITED KINGDOM

1f.	List of Documents Presented for Filing.	2d. each.
2f.	Return of List of Directors.	2d. each.
3f.	Return of Names and Addresses of Persons in the United Kingdom Authorised to Accept Service.	2d. each.
4f.	Notice of Alteration in Instrument Constituting Company.	2d. each.
5f.	Notice of Alteration in List of Directors.	2d. each.
6f.	Notice of Alteration in Names or Addresses of Persons Authorised to Accept Service.	2d. each.
7f.	Statement of Affairs.	2d. each.

MISCELLANEOUS COMPANY FORMS.

5.	Notice of Change of Registered Office.	2d. each.
9.	Copy of Register of Directors or Managers. (Filed when any change in particulars respecting any Director or Manager entered in Register.)	2d. each.
10.	Notice of Increase of Capital.	2d. each.
11.	Notice of Increase in Number of Members—Company Limited by Guarantee.	2d. each.
16.	Special Resolution, draft form.	2d. each.
16a.	Extraordinary Resolution, draft form.	2d. each.
26.	Statement of Increase of Capital.	2d. each.
28.	Notice of Consolidation, Division, or Conversion of Shares into Stock, or of the Reconversion of Stock into Shares.	2d. each.
46.	Report Prior to Statutory Meeting.	2d. each.
46a	List of Members for Production at the Statutory Meeting	2d. each.
	Ditto—continuation sheets.	2d. each.
500.	Table A of The Companies (Consolidation) Act, 1908, foolscap size. (Also of the Acts of 1862 and 1906, price 1s. each).	6d. each.
501.	Statement of Account showing Apportionment of Consideration under Agreement for Sale (for use when Agreements are submitted for Adjudication).	3d. each.
513.	Balance Receipt.	1d. each.
514.	Transfer of Shares in Limited Company.	1d. each.
514a.	Transfer of Stock (Common Form) (*under Seal*)	1d. each.
514b.	Transfer of Shares for Execution under Hand only.	1d. each.

Postage extra in all cases.

515. Transfer Receipt. 1d. each.

516. Indemnity in respect of Lost or Destroyed Share Certificate. 3d. each.

517a. Notice of Dividend, free of tax 1d. each.

517b. Ditto, less tax 1d. each.

518. Notice of Board Meeting (octavo). 1d. each.

519. Notice of Statutory General Meeting. 1d. each.

523. Model Balance Sheet in accordance with Table A. 2d. each.

530. Notice of Ordinary General Meeting. 1d. each.

531. Proxy Form, for adhesive stamp. 1d. each.

532. Proxy Form, impressed with 1d. stamp. 2d. each.

533 Transfer of Debentures (*under Seal*) 1d. each.

540. Notice of Extraordinary General Meeting. 1d. each.

609. Half-Yearly Return for Banking or Insurance Companies (Form C.) 2d. each.

BOUND COMPANY FORMS.

504. Letters of Allotment of Shares, with Receipts, perforated and numbered, impressed with 1d. Stamps, bound in books of 25, 6s. 6d.; 50, 12s.; 100, 21s.

505. Ditto. Impressed with 6d. stamps, bound in books of 25, 17s.; 50, 32s. 6d.; 100, 62s. 6d.

506. Notices of Calls on Shares, with Receipts, perforated and numbered, bound in books of 25, 4s. 6d.; 50, 7s. 6d.; 100, 12s. 6d.

509. Certificates of Registration of Transfers of Shares in Books of Company, perforated and numbered, bound in books of 25, 4s. 6d. 50, 9s.; 100, 16s. 6d.

511. Letters of Allotment of Debentures, with Receipts, perforated and numbered, impressed with 6d. stamps, bound in books of 25, 17s.; 50, 32s. 6d.; 100, 62s. 6d.

512. Letters of Allotment of Debenture Stock, perforated and numbered, impressed with 6d. stamps, bound in books of 25, 17s.; 50, 32s. 6d.; 100, 62s. 6d.

513. Balance Receipts (duplicate form), perforated and numbered, bound in books of 25, 4s. 6d.; 50, 7s. 6d.; 100, 12s. 6d.

515. Transfer Receipts (duplicate form), perforated and numbered, bound in books of 25, 4s. 6d.; 50, 7s. 6d.; 100, 12s. 6d.

517a. Notices of Dividend, free of tax, perforated and numbered, bound in books of 25, 4s. 6d.; 50, 7s. 6d.; 100, 12s. 6d.

517b. Ditto, less tax, perforated and numbered, bound in books of 25, 4s. 6d.; 50, 7s. 6d.; 100, 12s. 6d.

524 to 529. Share Certificates (Blank Forms for Name of Company to be written in) printed from plate, perforated and numbered, 25, 4s. 6d.; 50, 9s.; 100, 16s. 6d. (see page xii).

Postage extra in all cases.

GENERAL LEGAL FORMS.

BILLS OF SALE.

BS 1. Bill of Sale, Absolute. 6d. each; 6s. dozen.
BS 2. Affidavit to accompany Absolute Bill of Sale 1d. each; 1s. dozen.
BS 3. Bill of Sale, Conditional. 6d. each; 6s. dozen.
BS 4. Affidavit to accompany Conditional Bill of Sale. 1d. each; 1s. dozen.
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